

FBIS**DAILY REPORT
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LIAOWANG ON WEINBERGER'S SATELLITE CENTER VISIT

HK290825 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 42, 20 Oct 86 p 26

[Article by Chai Shikuan (2693 0013 1401): "Deepening Understanding, Building Trust, and Promoting Cooperation -- Sidelights on Weinberger's Visit to the Xichang Satellite Launching Center"]

[Text] During his visit to China, U.S. Defense Secretary Caspar Weinberger had a full exchange of views with Chinese leaders. This has a positive impact on developing Sino-U.S. relations. The development of friendly cooperation relies on mutual trust, and the basis for mutual trust is mutual understanding. Weinberger's visit to China's Xichang satellite launching center on 10 October was a major action taken by both sides for reaching this purpose and therefore became the climax of his China visit.

The Xichang satellite launching center is situated in the Liangshan Yi Autonomous Prefecture in Sichuan Province, where mountain peaks rise one higher than another and there are few signs of human habitation. Little do people know about this area. Here, however, China has accurately launched three satellites into orbit. The explosion of the U.S. space shuttle "Challenger" and the successive failure of the "Ariane" rocket in Europe have, naturally, constituted a worldwide "launching crisis." As a result, many countries have found it difficult to have their satellites launched. Therefore, they are beginning to shift their attention to China, a country which has maintained a leading position for many years in terms of successful launching rates, and the Xichang satellite launching center has become the focus of attention. Americans and visitors from other countries keep coming to this center group after group, either to discuss matters concerning launching satellites or to study the center's basic facilities. Weinberger was the most prominent figure among the visitors. He referred to his visit as a "special honor" granted to him by China.

Weinberger visited the Xichang satellite launching center with the approval of Deng Xiaoping, chairman of the Advisory Commission of the CPC Central Committee. While meeting Weinberger, Deng Xiaoping said that China's space technology was lower than that of the United States. He invited Weinberger to make a comparison by conducting an on-the-spot survey in Xichang. Weinberger wished to take this hard-earned opportunity to find out the "real situation" of China's space technology, because U.S. private companies must obtain the approval of the U.S. Government to have their satellites launched by China. Approval or disapproval can only be decided after making an on-the-spot survey in Xichang.

After arriving in Xichang by special plane, Weinberger immediately went to the control room of the satellite launching center. In the control room, personnel on duty were concentrating on their work and numerical indicators kept flashing. Tong Lianjie, deputy director of the center, told the visitors that the center could launch a satellite weighing 1.4 tons into space 36,000 kilometers from the earth. The visitors also watched a videotape show on the whole process of transportation, testing, assembling, and launching of a carrier rocket. Tong Lianjie told Weinberger, who was sitting in a chair in the middle of the front row, that Premier Zhao Ziyang sat in the same chair while watching the whole launching process of a satellite in February this year. Stroking the armrests of the chair, Weinberger said happily: "This is a good omen!" Obviously, he was looking forward to the prospects of China launching satellites for the United States.

In the testing room, the visitors could see the milky white "Changzheng No 3" rocket, which is over 40 meters long and 3 meters in diameter. This is the huge dragon China uses to launch its satellites into space. Weinberger took great interest in this colossus. Declining with thanks the offer of explanations made by those who were accompanying him, he went close to the rocket to take a good look at it. He inquired about the joint parts of this 3-stage rocket.

At the launching site, a white slogan "Be Serious, Conscientious, Considerate, Meticulous, Steady, and Trustworthy and Make Sure That Nothing Goes Wrong" drew the visitors' attention. This inscription was written by Premier Zhou Enlai. With this strict scientific spirit and the continuous improvement of space technology and equipment, China has been able to launch its satellites into space one after another. Weinberger took a careful look around the round satellite launching platform while listening with a great interest to the host's briefing on how a satellite is launched into space from the platform. He even went up to the 17-meter high launching tower by elevator to look at the tower's facilities and working conditions.

Wu Shaozu, political commissar of the National Defense Science, Technology, and Industry Commission, and a responsible person of the launching center, who were both accompanying Weinberger, told Weinberger that the tower would be further improved to provide better working conditions for Chinese and foreign experts when launching satellites for the United States and other countries. The launch center has also designated an area for building warehouses to store foreign satellites waiting to be launched here. This is to provide a full security guarantee for foreign satellites. Wu Shaozu and other responsible persons also explicitly remarked that China had always strictly kept its word and would never betray confidential matters concerning foreign satellites. The Xichang satellite launching center is planning to improve transportation, living, and service conditions, including building a hotel, so that foreign experts and visitors can enjoy a relaxed and comfortable life there.

During his visit, Wu Shaozu explained to Weinberger: The main purpose of China's space technology is to develop the country's economy and improve the material and cultural life of the 1 billion Chinese people. Our launching facilities are limited, as is the number of our satellites to be launched. We launch satellites for some foreign countries during intervals when China does not launch its own satellites. This does not cause any competition in the satellite launching market with the United States. Weinberger listened attentively, pondering every word. It seemed that these remarks were convincing to him.

When leaving the launch center, Weinberger told the group of Chinese and foreign reporters accompanying him: "This center really has the capability of launching satellites. It has great potential, too. This center is also planning to further improve its facilities so as to continue China's own space programs and launch commercial satellites (for foreign countries). All this has made a very deep impression on me." These remarks imply the basic attitude of the U.S. authorities toward U.S. companies having their satellites transported to and launched by China.

On his way back to Beijing, Wu Shaozu told the reporters on board the plane: Launching satellites for foreign countries is a major step for the National Defense Science, Technology, and Industry Commission in exercising the central authorities' policy of opening up to the world. Its significance can be summed up into "killing three birds with one stone." First, the political influence of China's launching satellites for some U.S. companies is evident. Undoubtedly, this will help enhance China's international prestige. [paragraph continues]

Second, economic results are also good. China has the tradition of being thrifty and the spirit of hard struggle. It costs China less than the United States and Western Europe to launch the same satellite. We can still obtain a considerable amount of foreign exchange although we charge foreign companies very little for launching their satellites. Third, launching satellites for foreign countries will greatly promote space technological exchange and cooperation with foreign countries. Foreign satellites have their own characteristics and will set new technological demands for us, which will make us go forward.

China is constantly strengthening mutual understanding and building mutual trust with foreign countries. There are great prospects for cooperation in the space technology field.

XINHUA VIEWS CAUSES OF REYKJAVIK 'FAILURE'

OW271129 Beijing XINHUA Domestic Service in Chinese 0628 GMT 23 Oct 86

[Text] Beijing, 23 Oct (XINHUA) -- When will the U.S.-USSR Arms race end?

By XINHUA reporter Wang Chongjie

How the arms race and the arms control talks between the two superpowers will evolve in the future are the issues that concern the international community more right now.

Arms were the main issue discussed at the Soviet-U.S. summit meeting in Reykjavik. Both leaders issued a series of statements following the meeting, claiming progress on some issues, admitting failure on the key problem due to the intransigence of both, laying the responsibility of failure on the other, and affirming they would not change their basic positions. However, they did not shut the door to future talks and meetings.

The Reykjavik meeting was in fact a summing up of the U.S.-USSR arms race and arms talks in recent years. It roundly pointed to the general trend of development and evolution of the U.S.-USSR arms race and arms talks in the years to come.

First, on what areas of arms negotiations have the both sides "come closer" or "achieved progress?"

Both sides had agreed to destroy all medium-range missiles in Europe. The Soviet Union and the United States would each retain 100-warhead medium-range missiles; the Soviet Union in its Asian region (the Far East) and the United States on its territory. The Soviet Union was enthusiastic about destroying all U.S. and Soviet medium-range missiles in Europe. To help reach agreement on this point, Gorbachev clearly stated that the Soviet Union would no longer insist on including British and French nuclear forces in the equation, would no longer call for a freeze of these two countries' nuclear forces, and would agree to let British and French missiles "exist as independent nuclear forces." However, the U.S. still insisted on the "global plan" in solving the problem of medium-range missiles since the Soviet Union could move the missiles deployed in Asia, east of Urals to Europe any time. In addition, Asian countries have repeatedly called on the Soviet Union and the United States to solve the problem of medium-range missiles in Asia. The perplexing thing is that since the Soviet Union and the United States had agreed to destroy all their medium-range missiles in Europe, why did they still want to keep these weapons in Asia?

Another important issue linking the medium-range missiles is the 1,000 kilometer short-range missile. According to reports, the Soviet Union has deployed about 650 short-range missiles in Europe (including the GDR and Czechoslovakia). The United States has also deployed some short-range missiles in Western Europe's NATO countries, but far fewer in quantity than those deployed by the Soviet Union. West Germany and some Western European countries called for a solution of this problem. The Soviet Union and the United States decided at the summit meeting in Reykjavik to freeze temporarily the number of short-range missiles at the present Soviet level and to hold a separate meeting on this problem.

Regarding issues of strategic weapons, both sides had agreed to reduce their strategic weapons by 50 percent in the next five years. Because of different structures in strategic nuclear weapons -- the Soviet Union has advantages in land-based intercontinental missiles whereas the United States is strong in submarine-launched missiles -- both sides have long been locked in disputes over the ratio and level of strategic weapons to be reduced. At last, the United States agreed to the Soviet argument to reduce three strategic weapons -- land-based strategic missiles, submarine-launched strategic missiles, and nuclear weapons-carrying strategic bombers -- by 50 percent. According to reports, both sides also agreed to reduce strategic weapons carriers and nuclear warheads to 1,600 and 6,000 respectively. At the same time, Gorbachev retreated from the Soviet's long-held demand and no longer counted the U.S. medium-range missiles capable of reaching Soviet territory and "weapons deployed at forward positions" as strategic weapons.

Concerning nuclear testing, both sides agreed to place certain limits on testing through negotiations and then proceed to a "complete and total ban on nuclear testing." Reagan said that the U.S. was willing to "hold discussions on parallel plans to implement limits and a final halt to nuclear testing." Gorbachev, on the other hand, suggested that the Soviet Union and the United States "hold an immediate discussion on halting nuclear explosions following the Reykjavik meeting." Preliminary discussion on limits on the power and numbers of nuclear explosions each year could also be initiated during the meeting to finally draft "a far-ranging treaty concerning the complete and total ban on nuclear explosions."

Second, why did the U.S.-USSR meeting on arms issues end in failure?

The focus of fierce contention was the issue of space weapons. Both sides showed no compromise on this key issue and stuck to their own views.

To slow down and do away with the U.S. "Strategic Defense Initiative" ("the Star Wars plan"), Gorbachev proposed that the Soviet Union and the United States stick to the 1972 treaty on antiballistic missiles for the next 10 years. During this period, "all testing of such space weapons as antiballistic missiles, except for laboratory research and testing, is forbidden." In 10 year's time (by 1996) the Soviet Union and the United States would have totally destroyed their offensive strategic weapons.

Reagan's last proposal was: In exchange for 10-year postponement of the Strategic Defense Initiative, the Soviet Union and the United States would completely destroy all ballistic missiles in their arsenals. He insisted that the U.S. had the right to carry on experiments relating to the Strategic Defense Initiative, not only within the laboratory.

Gorbachev accused the U.S. Government of "trying to achieve military superiority in a short time through the Strategic Defense Initiative, and of "trying to rush into space with weapons." He said only a "fool" would accept the U.S. proposal.

Reagan, on the other hand, criticized Gorbachev, saying his proposal was meant to kill the (U.S.) Strategic Defense Initiative" and to obtain for the Soviet Union "immediate, unilateral, and dangerous advantages." He said the United States "would never trade away the Strategic Defense Initiative."

It appears that the Soviet package deal of agreeing to reduce strategic weapons and medium-range missiles was in exchange for a U.S. postponement and cancellation of the Strategic Defense Initiative. Gorbachev has repeatedly stressed the Soviet's "package deal," saying without the third component of this package -- strict observance and strengthening of the ABM Treaty and "of a nuclear test ban regime" -- "there can be no full agreement."

The United States would postpone but not abandon the Strategic Defense Initiative to induce the Soviet Union to reduce its strategic weapons and medium-range missiles. Reagan stressed that "the Strategic Defense Initiative is America's insurance policy."

Since both sides had differing views and were unwilling to compromise, the talks finally ended in failure. Agreement was not reached on other arms related issues previously discussed either. Even the date for a formal meeting of the two leaders in the United States was not set.

Third, will there be genuine disarmament or a further escalation of the arms race in the future?

This is the problem left unsolved at the Reykjavik meeting. It is also a thorny problem still left on the present agenda. The two leaders have issued many statements since the end of the meeting. Both sides claim to have made significant proposals during the meeting and that it was a time when the positions of both sides "had never been so close."

Both sides charged that the other's policy had hindered reaching agreement. Reagan held that "the Soviets ended the summit without reaching agreement in order to 'see how far they can force us to go before sitting down to discuss matters of substance.'" Gorbachev held that "The Americans had made two major mistakes." Their tactical mistake was that they thought "the Soviet Union is more eager than the United States to reach agreement on the disarmament problem," which is "a great misunderstanding." Their strategic mistake is "the attempt to use the latest and most expensive arms race in space weapons to exhaust the Soviet Union economically." This is "an attempt to turn wishes into reality."

Both sides continued to insist on their own positions on the issue of space weapons. Reagan has repeatedly stressed that the United States would not abandon the Strategic Defense Initiative. For Gorbachev's part, he keeps reiterating that "we (the Soviet Union) will respond to the Strategic Defense Initiative."

Both sides have not shut the door to dialogue. Reagan said the United States "is ready to continue talking right where we left off." Gorbachev said "the necessity for dialogue is still growing, despite difficulties."

As for Gorbachev's scheduled formal meeting with Reagan in the United States, the U.S. side said "the invitation is still on." The Soviet Union said there was a possibility that the Washington meeting could take place.

U.S. -Soviet relations have been marked by vicissitudes since the Gorbachev-Reagan meeting in Geneva last October. Their relations are marked by both confrontation and dialogue. The Reykjavik meeting and the recent statements made by both sides again show the acuteness of confrontation and the complex nature of the dialogue between the two superpowers. We have to wait and see how events will develop and evolve.

The people of the world hope for peace and stability and wish that the United States and the Soviet Union would end the dangerous arms race. The world will surely welcome it if both sides were to work toward real and large-scale disarmament.

U.S. -SOVIET DIPLOMATIC EXPULSIONS ASSESSED

HK300425 Hong Kong TA KUNG PAO in English 27 - 30 Oct 86 p 2

[From "The Past Week" column: "After the War of Expulsions"]

[Text] For a while it had looked uncertain where the silly round of farce would end -- the non-productive war of expulsion unleashed between Washington and Moscow.

Ergo, Washington's calling of a truce must have come as welcome news to the world at large and, hopefully, the two superpowers can now resume discussion of large issues affecting US-Soviet relations.

For undoubtedly a lot can still be salvaged from Reykjavik, and Mr Reagan and Mr Gorbachev have said as much.

But until the U.S. State Department announced that it wanted to end the puerile exchanges so that the two countries could progress on other fronts, it had not been altogether nonsense for the rest of the world to wonder whether, had they not stopped firing each other's representatives, their next move would be firing missiles at each other.

Conceivably, the U.S. decision to call it quits was due to more than the embarrassment and inconveniences caused by the withdrawal of the small army of Soviet cooks, drivers, plumbers and other maintenance staff serving the U.S. Embassy in Moscow.

When the count was finally taken, Washington can justly be proud of the fact that, as a result of throwing out 80 Soviet diplomats stationed in the U.S. a balance was achieved at last in the size of the diplomatic staff in their respective embassies.

However, the Soviets can boast of winning a round of the propaganda war, if not the game in numbers, as Moscow can claim to be magnanimous in ejecting only 10 U.S. diplomats.

The crux of Moscow's edge over Washington was the 260 Soviet employees on whom the US diplomatic staff depend for a range of menial functions.

In contrast to this dependence, Soviet embassies traditionally use Soviet citizens to fulfill these functions and this had left Washington as vulnerable as the Soviets were impervious.

In addition to the lopsidedness in numbers, the Soviet might also speak from the vantage point that it was Washington that started the latest series of expulsions.

They were sparked by the Americans after Moscow detained U.S. journalist Nicolas Daniloff for alleged espionage.

Washington threw out 25. Moscow retaliated by ejecting five. Washington replied with 55. Then Moscow ordered the withdrawal of 260 of its own workers and the expulsion of five more U.S. diplomats and that was that.

Noteworthy, though, was the televised speech made by Mr Gorbachev an hour after Moscow announced the expulsion of the last group of five Americans. True, the Soviet party general secretary said it was ordered in retaliation against an 'outrageous' U.S. move. But far from devoting the whole speech to the war of expulsion, as one might have expected, Mr Gorbachev went straight to U.S.-Soviet relations following the Reykjavik mini summit. He repeated the Soviet demand for the U.S. to make concessions on Star Wars; otherwise, there would be no way to reach an arms control agreement, he insisted.

Despite the tough talk, however, the speech softened towards the end in a conciliatory note to pick up the pieces left in Reykjavik.

WU XUEQIAN MEETS ILO DIRECTOR GENERAL BLANCH

OW281152 Beijing XINHUA in English 1134 GMT 28 Oct 86

[Text] Beijing, October 28 (XINHUA) -- Chinese State Councillor and Foreign Minister Wu Xueqian met here this afternoon Francis Blanch, director-general of the International Labor Office, and his party.

Wu thanked Francis Blanch for his efforts in promoting the relations between China and the International Labor Organization (ILO).

Blanch said that he was glad to see the rapid development of the relations between China and ILO.

Blanch and his party arrived here yesterday.

YAO YILIN MEETS U.S.-ASIA INSTITUTE DELEGATION

OW300938 Beijing XINHUA in English 0931 GMT 30 Oct 86

[Text] Beijing, October 30 (XINHUA) -- Vice-Premier Yao Yilin had an hour-long meeting here today with a delegation from the U.S.-Asia Institute led by its President Kay Sugahara. Yao praised the institute, founded in 1979, for its contributions in promoting economic and cultural exchanges between the United States and Asian countries. The visitors arrived in Beijing October 27 at the invitation of the Chinese People's Association for Friendship With Foreign Countries.

HU QILI MEETS FORMER CALIFORNIA GOVERNOR BROWN

OW241106 Beijing XINHUA in English 1059 GMT 24 Oct 86

[Text] Beijing, October 24 (XINHUA) -- Hu Qili, member of the Political Bureau of the Chinese Communist Party Central Committee, met here today Edmund Brown, Jr., former governor of California of the United States. Brown is here as a guest of the Chinese People's Institute of Foreign Affairs.

ZHANG AIPING MEETS U.S. ROCKWELL COMPANY HEAD

OW290928 Beijing XINHUA in English 0911 GMT 29 Oct 86

[Text] Beijing, October 29 (XINHUA) -- State Councillor and Defense Minister Zhang Aiping hosted a luncheon here today in honor of Ronald Beall, president of the Rockwell International Corporation.

One of the largest firms in the United States, Rockwell produces and sells a whole range of products including aerospace and navigation equipment, electronic apparatus and trucks.

Arriving in Beijing October 26 as guest of the China Council for the promotion of International Trade, Beall has had a number of discussions with Chinese economic officials on the possibilities of further economic and technical cooperation. Zhang Aiping visited Rockwell in 1984 during his trip to the U.S.

CHEN MUHUA MEETS U.S. BANK PRESIDENT

OW281805 Beijing XINHUA in English 1438 GMT 28 Oct 86

[Text] Beijing, October 28 (XINHUA) -- Chinese State Councillor and President of the People's Bank of China Chen Muhua met John A. Bohn, Jr., president and chairman of the Eximbank, U.S.A., and his party here today.

During their conversation, Chen said the Chinese bank is willing to expand business contacts with the U.S. bank. She said she hoped the Eximbank would offer preferential terms and simplify procedures in providing loans for China.

Bohn said his bank has long-term relations with China and there is a wide scope for cooperation between the two sides.

The U.S. visitors are in China as guests of the Bank of China. They arrived here Monday after touring Shenzhen, Guangzhou and Chongqing.

PRC-USSR TRADE TRANSPORT TALKS END IN MOSCOW

OW280226 Beijing XINHUA in English 0211 GMT 28 Oct 86

[Text] Moscow, October 27 (XINHUA) -- Chinese and Soviet officials concluded their talks here today on how to improve trade transport between the two countries.

During the talks, the first ever held by the transport group of the Sino-Soviet Commission on Economic, Trade and Scientific-Technological Cooperation, officials said they were pleased with the work of the transport departments of both countries in ensuring smooth two-way trade traffic since the beginning of this year.

They noted, however, that there have been delays at ports of both countries in loading and unloading ships, and additional measures should be taken in the coming months to shorten the time ships anchor in port so that the year's target will be fulfilled.

They also briefed each other on technical and organizational steps to increase the volume of traffic at border railway stations from 1986 to 1990.

An agreement was signed under which Chinese ports will provide services to Soviet shipping agents.

They agreed that the group will hold its second meeting in Beijing around February or March next year.

XINHUA ON XINJIANG-USSR TRADE CONTRACTS

OW291708 Beijing XINHUA in English 1515 GMT 29 Oct 86

[Text] Urumqi, October 29 (XINHUA) -- After decades of no contact, officials of northwest China's Xinjiang Uygur Autonomous Region this year expect to trade goods worth millions of U.S. dollars with the Soviet Union.

An official of the Xinjiang Export Company said the Soviets this year -- the first the border has been open for decades -- have already signed contracts for four million dollars in trade.

According to the contracts, Xinjiang will export thermoses, dresses, flashlights and brushes to the Soviet Union and import steel products, cement, chemical fertilizer and refrigerators.

To further expand border trade, Xinjiang and Soviet authorities have agreed to organize export commodity exhibitions in each other's cities in 1987.

USSR SIGNS SCIENTIFIC, TECHNOLOGICAL MEMORANDUM

OW290116 Beijing XINHUA in English 0105 GMT 29 Oct 86

[Text] Moscow, October 28 (XINHUA) -- China and the Soviet Union signed a memorandum on the exchange of scientific and technological information here today. Both sides will exchange information on new inventions, patents, technology and hold scientific and technological speeches, according to the memorandum.

PRC TO EXPORT SMALL AIRCRAFT TO JAPAN

HK290745 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1130 GMT 21 Oct 86

[Text] Hong Kong, 21 Oct (ZHONGGUO TONGXUN SHE) -- According to a news report from Tokyo, the Nosaki Sangyo Group of Japan will import small Y12 aircraft from China. This is the first time Chinese-made aircraft have been exported to Japan.

The Chinese National Aeronautic Technology Import and Export Corporation and the Nosaki Sangyo Group signed a letter of intent, which was confirmed by the Japanese Ministry of Transport the other day. Test flights on the Chinese aircraft will be conducted in Japan next spring.

With a capacity of 19 people, the Y12 aircraft has a range of 1,340 kilometers. Manufactured with Italian and American technology, the propellers of the aircraft will take the U.S. endurance flight certificate as a guideline and adopt the Western safety standards.

The aircraft are manufactured by the Harbin Aircraft Manufacturing Company of China. The plant provides as many as 100 aircraft for short-distance domestic flight each year.

The NIPPON KEIZAI SANGYO SHIMBUN reported that the price of a Chinese Y12 aircraft is about two-thirds that of a similar aircraft made in Europe or the United States.

SINO-JAPANESE GEOPHYSICAL SURVEY DEAL SIGNED

HK290202 Beijing CHINA DAILY in English 29 Oct 86 p 2

[By staff reporter]

[Text] A contract was signed in Beijing yesterday between Chinese and Japanese firms for geophysical surveys of the Pearl River Mouth Basin in the South China Sea.

The contract was signed between the Chinese National Offshore Oil Corporation (CNOOC), and Huanan Oil Development Company Ltd and Japex Nanhai Ltd of Japan.

Under the contract, the Huanan and Japex Nanhai Companies will carry out geophysical surveys in the Kaiping area in co-operation with CNOOC and will decide whether to drill wildcat wells based on the data from the survey.

If Huanan and Japex Nanhai decide to drill, they will negotiate with CNOOC for conclusion of a new petroleum contract for the area.

It covers about 1,300 square kilometres and has a water depth of between 170 and 300 metres. It lies 300 kilometres south of Hong Kong.

The Huanan and Japex Nanhai companies have participated in both of China's first and second biddings for offshore oil exploration.

ULANHU STRESSES STRICT POPULATION CONTROL

OW281150 Beijing XINHUA in English 1120 GMT 28 Oct 86

[Text] Beijing, October 28 (XINHUA) -- China still needs strict control of population growth to ensure its smooth social and economic development, Vice-President Ulanhu said here today.

The Chinese leader made the remark when meeting with Isao Matsudaira, governor of Fukushima Prefecture of Japan.

The Japanese prefecture has been in cooperation with Taian City in eastern China's Shandong Province and Taicang County in Jiangsu Province in the fields of family planning, maternity and child care and disease control, and Mr. Isao Matsudaira rendered his warm service to the cooperation between the two sides.

The Chinese vice-president said that effort should also concentrate on boosting the growth of China's economy in order to solve the population issue.

Chinese people have long adhered to the principle of combining state guidance with people's willingness for a planned family, the vice-president said, adding that China has also made efforts to develop the nation's medical, cultural and educational sectors.

Isao Matsudaira highly appreciated China's family planning policy and the achievements made in this regard and expressed his hope that his prefecture and China would further their cooperation in the fields.

Among those present on the occasion was Wang Wei, director of the State Family Planning Commission. The Japanese friends arrived here for a tour of China as guests of the Chinese commission.

STATE COUNCILLOR FANG YI MEETS JAPANESE YOUTH

OW281803 Beijing XINHUA in English 1456 GMT 28 Oct 86

[Text] Beijing, October 28 (XINHUA) -- Chinese State Councillor Fang Yi met leading members and representatives of a youth delegation from Ibaraki Prefecture, Japan, led by its Governor Fujio Takeuchi here tonight. After the meeting, Takeuchi gave a return banquet. Fang Yi was present. The 449-member Japanese delegation arrived in Tianjin by ship on Monday for a friendly visit to China as part of the activities to mark the International Peace Year.

PLA'S HONG XUEZHI LEAVES JAPAN FOR HOME

OW291831 Beijing XINHUA in English 1522 GMT 29 Oct 86

[Text] Tokyo, October 29 (XINHUA) -- Hong Xuezhi, director of the General Logistics Department of the Chinese People's Liberation Army (PLA) and his party left for home today. Hong and his party arrived in Tokyo on October 26 after a visit to the United States.

During his stay in Japan, the Chinese military official paid visits to the director general of the Japanese Defense Agency Yuko Kurihara, and other officials.

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In an atmosphere of friendship, Hong and Kurihara exchanged views on issues of common concern. The Chinese delegation also saw the sights of Tokyo and visited factories here.

HU YAOBANG MEETS DPRK YOUTH DELEGATION

OW300830 Beijing XINHUA in English 0822 GMT 30 Oct 86

[Text] Beijing, October 30 (XINHUA) -- China and the Democratic People's Republic of Korea depend on each other for survival and should therefore remain friends from generation to generation, Chinese Communist Party General Secretary Hu Yaobang said here today.

Hu described the close relationship between the two countries as that of "lips to teeth," at a meeting with a delegation from the League of Socialist Working Youth of Korea led by Chairman Choe Yong-hae.

Hu said he fully supports the two countries' youth leagues to increase contacts, cooperation and share their experience.

Choe said his delegation is impressed with the Chinese people's efforts for modernization as well as their fraternal feelings for the Korean people and their attention to promoting Sino-Korean friendship.

He thanked the Chinese people for their support to the Korean people's efforts to reunify their fatherland.

Young people of the two countries should carry on the Sino-Korean friendship founded by their revolutionary predecessors, Choe said. His organization would work with the Chinese Communist Youth League in promoting this friendship.

DPRK ARMY DELEGATION ARRIVES FOR VISIT

Feted by Xu Xin

OW281854 Beijing XINHUA in English 1607 GMT 28 Oct 86

[Text] Beijing, October 28 (XINHUA) -- Xu Xin, deputy chief of General Staff of the Chinese People's Liberation Army, hosted a banquet here this evening in honor of a delegation from the People's Army of the Democratic People's Republic of Korea.

The delegation, led by General Cho Son-pak, arrived here this morning at the invitation of the Chinese Ministry of National Defense.

The delegation is scheduled to visit Nanjing, Shanghai and Shenyang after its stay in the Chinese capital.

Meets Yang Dezhi

OW291312 Beijing XINHUA in English 1251 GMT 29 Oct 86

[Text] Beijing, October 29 (XINHUA) -- Yang Dezhi, chief of General Staff of the Chinese People's Liberation Army, met and feted here this evening a Korean People's Army delegation led by General Cho Son-pak. Present were Xu Xin, deputy chief of the PLA General Staff, and Sin In-ha, Korean ambassador to China.

ICELAND'S PRIME MINISTER CONTINUES VISIT

Attends Economic Seminar

OW291150 Beijing XINHUA in English 1135 GMT 29 Oct 86

[Text] Beijing, October 29 (XINHUA) -- A seminar on Sino-Icelandic economic and trade exchanges was held here this morning.

Visiting Icelandic Prime Minister Steingrimur Hermannsson attended the seminar.

Hermannsson said the purpose of his China tour is to further bilateral trade ties and economic and technological cooperation in certain areas.

He said that he and Premier Zhao Ziyang had a thorough-going exchange of views on the development of bilateral cooperation in geothermal resources, fishing, tanning, trade and tourism.

China will send a delegation to Iceland to study geothermic technology while Iceland will dispatch a fishing delegation to China, he said.

He noted that China's commodities have entered Icelandic markets while Iceland also exports some commodities to China. He said he was sure that bilateral economic cooperation and trade will be further expanded.

Zheng Tuobin, Chinese minister of foreign economic relations and trade, said in 1985 China's exports to Iceland amounted to 1.65 million U.S. dollars, a dozen times the figure in 1970.

He said China is willing to develop various forms of economic cooperation and explore the possibilities of expanding trade with Iceland and welcomes Icelandic enterprises to invest in China.

He suggested that the two sides increase cooperation in exploiting geothermic resources in Tibet and utilizing them in green house cultivation and fish breeding.

"We also support technological cooperation in tanning," he said.

Present on the occasion were Zhu Xun, minister of geology and mineral resources, Jia Shi, president of the China Council for the Promotion of International Trade, and Chen Luzhi, Chinese ambassador to Iceland.

Also present were Icelandic Ambassador to China Petur Thorsteinsson, and an Icelandic trade delegation led by managing director of the Export Council Thrainn Thorvaldsson.

Zhao Ziyang Bids Farewell

OW291631 Beijing XINHUA in English 1610 GMT 29 Oct 86

[Text] Beijing, October 29 (XINHUA) -- Chinese Premier Zhao Ziyang said here today that China should study Iceland's experience in economic development.

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"Although Iceland is a small country with limited natural resources and unfavorable weather conditions, it has given full play to its advantages. China should study such an experience," he added.

Zhao made these remarks while bidding farewell here today to Icelandic Prime Minister Steingrimur Hermannsson and his wife, who are scheduled to leave here tomorrow.

The experience of Iceland, Zhao said, shows that all countries, no matter what natural conditions they may have, can achieve rapid development in the light of their own conditions.

"This is a great encouragement to China," he said.

He added that although China is a large country, conditions vary in different places. However, smooth economic development can be achieved so long as different places give play to their advantages in the light of their own conditions.

Hermannsson said the Icelandic people have raised their living standards through hard work in the past few centuries under difficult natural conditions. This testifies to the saying "where there is a will, there is a way".

He said the Chinese people are hard-working people who are determined to march forward. He was confident that China, a great country, will have a bright future.

Zhao welcomed Hermannsson to visit China again and expressed the hope that he could visit Iceland in the near future to continue the "fruitful" talks.

Hermannsson presented a book -- "History of the Icelandic People" to Premier Zhao, and in return Zhao gave the prime minister an album of photos recording his visit to China.

ADDITION TO DENG XIAOPING MEETS ICELANDIC PREMIER

Beijing XINHUA Domestic Service in Chinese at 0757 GMT on 28 October transmits a report on the Deng Xiaoping-Hermannsson meeting at the Great Hall of the People on 28 October, allowing for the following addition to the item under the sub-heading "Meets Deng Xiaoping," published in the 28 October China DAILY REPORT, page G 4, paragraph seven, lines one and two:

...To maintain peace it is imperative to oppose hegemonism [bu xu fan dui ba quan zhu yi 1801 7312 0646 1417 7218 2938 0031 5030].... (clarifying sentence, providing pinyin, stc's)

CULTURAL COOPERATION PLAN WITH ROMANIA SIGNED

OW291326 Beijing XINHUA in English 1314 GMT 29 Oct 86

[Text] Bucharest, October 29 (XINHUA) -- A plan for the implementation of a cultural cooperation agreement during the next four years was signed here today by representatives of China and Romania.

On the basis of the two countries' cultural cooperation agreement signed in May, 1965, both sides signed the implementation plan.

Under the plan, China and Romania will conduct broader cooperation in science, education, culture, broadcast, television, health and sports.

The plan was signed by Chinese Ambassador to Romania Yu Hongliang and Romanian Vice Foreign Minister Traian Pop.

CZECH OFFICIAL DISCUSSES COOPERATION IN PRC

LD291907 Prague CTK in English 1304 GMT 29 Oct 86

[Text] Beijing Oct 29 (CTK correspondent) -- Czechoslovak-Chinese cooperation in the sphere of education was on the agenda of today's talks here between Czech First Deputy Minister of Education Vaclav Cisar and First Deputy Chairman of the Chinese State Education Commission He Dongchang.

They paid special attention to cooperation in the 1987-1988 period, exchange of experiences in introducing new systems of education, exchange of students, study stays of teachers and direct cooperation between universities of the two countries. Both sides agreed with the idea of establishing the department of the Slovak language and literature at the Institute of Foreign Languages in Beijing.

Vaclav Cisar is at the head of a delegation of representatives of the Czech and Slovak Ministries of Education.

SONG JIAN MEETS VISITING POLISH DELEGATION

OW291830 Beijing XINHUA in English 1520 GMT 29 Oct 86

[Text] Beijing, October 29 (XINHUA) -- State Councillor Song Jian met here today with a delegation from Poland led by Professor Jan Kaczmarek, president of Polish Federation of Engineering Associations and member of Polish Academy of Sciences.

Song Jian, minister in charge of the State Science and Technology Commission, had a friendly talk with the Polish guests on the issues concerning the cooperation between the two countries in the field of science and technology.

The Polish visitors arrived here as guests of the Chinese Commission.

CHEN MUHUA, LEI JIEQIONG MEET BULGARIANS

OW292050 Beijing XINHUA in English 1844 GMT 29 Oct 86

[Text] Beijing, October 29 (XINHUA) -- Chinese State Councillor Chen Muhua and vice-chairman of the National Committee of the Chinese People's Political Consultative Conference Lei Jieqiong met a women's delegation from Bulgaria here today.

The delegation is led by Elena Lagadinova, state councillor, vice-chairman of the National Council of Fatherland Front of Bulgaria and chairman of the Committee of Bulgarian Women.

In the evening, Lei, who is also vice-president of the All-China Women's Federation, gave a banquet for the delegation.

The Bulgarian visitors arrived here Tuesday as guests of the host federation. They will also tour Shanghai, Wuxi and Nanjing.

SICHUAN, SLOVENIA ESTABLISH 'FRIENDLY RELATIONS'

HK291447 Chengdu Sichuan Provincial Service in Mandarin 2300 GMT 27 Oct 86

[Text] On the afternoon of 27 October, Sichuan Province and Yugoslavia's Slovenian Socialist Republic jointly held at the provincial government building the signing ceremony of establishing friendly relations between the province and the republic.

Yang Rudai, secretary of the provincial party committee, and Chairman Sinigol and his party attended the ceremony, which was presided over by (Zhang Guoqian), provincial deputy secretary general. (Qi Shiqun), director of the provincial Foreign Economic Relations and Trade Office, announced the agreement.

Acting respectively on behalf of the province and the republic Governor Jiang Minkuan and Chairman Sinigol signed the agreement. Later, they presented to each other flags symbolizing friendship and souvenirs.

Jiang Minkuan made a speech at the ceremony. He said: The establishment of friendly relations between the province and the republic is of great significance in terms of consolidating and strengthening the friendship and cooperation between the parties of China and Yugoslavia and the two countries, in particular, their economic, trade, science, technology, and cultural exchanges, as well as the development of both parties' socialist cause.

In his speech, Sinigol said: During this visit, we have achieved remarkable results. That is, we have formally signed the agreement on establishing friendly relations. Let us join hands for our common cause.

In the evening, Governor Jiang Minkuan held a party celebrating the establishment of friendly relations between Sichuan and Slovenia. Chairman Sinigol and his party attended the party. Also present were Meng Dongbo, vice chairman of the provincial People's Congress Standing Committee, as well as responsible people concerned.

Yang Rudai Welcomes Delegation

HK291451 Chengdu Sichuan Provincial Service in Mandarin 2300 GMT 27 Oct 86

[Text] On the afternoon of 27 October, Yang Rudai, secretary of the provincial party committee, met at the (Jinjiang) Hall's function room the goodwill delegation of Yugoslavia's Slovenian Socialist Republic headed by Executive Council President Dusan Sinigol.

On behalf of the provincial party committee, Yang Rudai warmly welcomed the visit of the Yugoslav comrades. He said: Both of our countries are socialist. Now, our province and republic have established friendly relations. This is of great significance to us. I believe that the friendship and cooperation between the province and the republic, as well as between our parties, will inevitably be further strengthened.

Sinigol appreciated Comrade Yang Rudai's statements. He said: Over the years, the friendly exchanges between the province and the republic have been greatly promoted. With the joint efforts of the two sides, the province and the republic now formally establish friendly relations, which will exert profound influences on both sides. Sinigol also thanked the provincial party committee and government for their warm reception.

The meeting was also attended by (Qi Shiqun), Standing Committee member of the provincial party committee and chairman of the provincial Foreign Economic Relations and Trade Office, and others.

Zhao Ziyang Meets Chairman

OW291254 Beijing XINHUA in English 1229 GMT 29 Oct 86

[Text] Beijing, October 29 (XINHUA) -- Chinese Premier Zhao Ziyang met here today Dusan Sinigol, chairman of the Executive Council of the Slovenian Socialist Republic of Yugoslavia.

Sinigol told Zhao that his republic and China's Sichuan Province signed an agreement recently on establishing their friendship ties to carry out concrete cooperation.

Zhao congratulated Sinigol on this and hoped that Sichuan and Slovenia will base their friendship on diversified economic and technical cooperation.

ECUADOR'S FOREIGN MINISTER ON RELATIONS WITH PRC

OW231102 Beijing XINHUA in English 0812 GMT 23 Oct 86

[Text] Quito, October 22 (XINHUA) -- Ecuador's Foreign Minister Edgar Teran said good relations with China are a goal of the government while meeting with a Chinese economic and trade delegation.

"The Government of Ecuador gives great importance to relations with China," Teran said, adding that economic cooperation between the countries is increasing.

Ecuador and China are two developing countries and so assistance and cooperation are perfectly possible.

The foreign minister revealed that Ecuador will establish free economic zones similar to those in China and he welcomed the Chinese to invest in them.

The delegation, headed by Mu Chongkai, vice director of the third department of the Ministry of Trade and Economic Relations with Foreign Countries, is attending the second mixed commission between China and Ecuador. On their behalf, Mu thanked the Ecuadoran Government for promoting trade between the two countries, pointing to similar efforts by the Chinese Government.

PRC, ECUADOR ECONOMIC COMMISSION MEETS

OW261020 Beijing XINHUA in English 0902 GMT 26 Oct 86

[Text] Quito, October 25 (XINHUA) -- The Chinese-Ecuadoran Economic, Technical and Scientific Commission today held their second meeting since its formation.

Chief of Chinese economic trade delegation, Mu Chongkai met with the vice economy minister of Ecuador, Julio Correa Paredes.

The commission discussed Ecuadoran-Chinese economic relations. The Chinese delegation pledged to buy 5,000 tons of fish meal, 1,000 tons of cocoa beans and 30,000 tons of bananas in 1987.

Both sides expressed a desire to diversify their trade, and said the meeting of the joint commission can play a positive role in improving bilateral commercial relations.

The Chinese delegation left here today for Brasilia, the capital of Brazil.

SONG RENQIONG FETES BOLIVIAN DELEGATION

OW281807 Beijing XINHUA in English 1616 GMT 28 Oct 86

[Excerpts] Beijing, October 28 (XINHUA) -- Song Renqiong, vice-chairman of the Central Advisory Commission of the Communist Party of China (CPC), met and gave a dinner for a delegation from the Bolivian Nationalist Revolutionary Movement (MNR) led by its executive chairman Jose Luis Harb Alvarez here tonight. [passage omitted]

HU YAOBANG GIVES SPEECH IN MEMOR OF YE JIANYING

OW300017 Beijing XINHUA Domestic Service in Chinese 0836 GMT 29 Oct 86

[Text] Beijing, 29 Oct (XINHUA) -- Following is the full text of Comrade Hu Yaobang's speech at a memorial meeting for Comrade Ye Jianying:

Today we remember, with a very heavy heart and profound grief, Comrade Ye Jianying, a long-tested staunch communist fighter, great proletarian revolutionary, statesman, military strategist, one of the founders of the Chinese People's Liberation Army, and prominent leader who held important party and state leading posts for many years. In the past 50-odd years Comrade Ye Jianying dedicated his life to the Chinese people's liberation cause and socialist construction. One of the prestigious and highly respected founders of the People's Republic of China and an outstanding leader of our party, country, and army, he made great contributions to the Chinese revolution and to national construction during long years of perilous struggle, thus earning the heartfelt love and respect of the whole party and the army and the people of various nationalities of the entire country. His death is a tremendous loss to our party, state, and army.

In his youth Comrade Ye Jianying followed Dr Sun Yat-sen in his democratic revolution. In 1922, when Sun Yat-sen fell into danger as a result of Guangdong warlord Chen Jiongmeng's rebellion, Comrade Ye Jianying, then commander of a battalion of marines, led his troops to Sun Yat-sen's rescue and valiantly fought the rebel forces. When the Chinese Communist Party and the Kuomintang began to cooperate, he accepted Marxism-Leninism and the stand of the Chinese Communist Party. At the invitation of Liao Zhongkai he helped establish the Whampoa Military Academy and served as deputy director of the faculty department. Afterward he joined the Eastern Expedition on two occasions to suppress Chen Jiongmeng, and the Northern Expedition. He was a famous general of the Northern Expedition Troops. When Chiang Kai-shek and Wang Jingwei successively betrayed the revolution and large numbers of communists were massacred, Comrade Ye Jianying, then the chief of staff of the 4th National Revolutionary Army, joined the Chinese Communist Party without hesitation in July 1927, thus showing himself to be a true revolutionary with strong communist convictions.

On learning of Wang Jingwei's plot to wipe out the troops of Ye Ting and He Long on the eve of the Nanchang Uprising Comrade Ye Jianying sought out Comrades Ye Ting and He Long -- at the risk of his own safety -- to discuss countermeasures with them, thereby thwarting Wang Jingwei's plot and doing important work at the start of the Nanchang Uprising. Thereafter Comrade Ye Jianying, together with Comrade Zhang Tailei, led the Guangzhou Uprising. The training regiment and guards regiment led by him became the main force of the uprising. That uprising, together with the Nanchang Uprising and the Autumn Uprising, marked the magnificent start of the second domestic revolutionary war and the founding of the Chinese Workers' and Peasants' Red Army.

In early 1931 Comrade Ye Jianying entered the central revolutionary base areas and successively held important Red Army leading posts, thus making major contributions to the construction of the Red Army and the victory of the battle to counter "encirclement and suppression." During the Long March he resolutely protected the unity of the whole party and Army. When Zhang Guotao refused to implement the party Central Committee's policy of marching northward and attempted to split and endanger the party Central Committee, Comrade Ye Jianying, then the chief of staff of the frontline command of the Red Army, saw through Zhang Guotao's plot and immediately reported it to Comrade Mao Zedong.

The party Central Committee took correct measures and ensured the Red Army's successful northward march. Comrade Mao Zedong praised Comrade Ye Jianying several times afterward for making an outstanding contribution for the party and the revolution at a crucial moment.

After 1936 Comrade Ye Jianying did a great deal of effective work for the establishment and development of the anti-Japanese national united front. He assisted Comrade Zhou Enlai in bringing about a peaceful settlement of the Xian Incident, the second KMT-CPC Cooperation, and the joint KMT-CPC efforts to resist the Japanese aggression. After the War of Resistance Against Japan began, he served as chief of staff of the 8th Route Army and held our party's leading posts successively in Nanjing, Wuhan, and Chongqing. He expounded our party's policies to Kuomintang military officers and personalities of various circles on many occasions and thus effectively expanded our party's influence. In 1941 he returned to Yanan to serve as chief of staff of the Military Commission. He seized up the situation and carefully devised strategies to help Comrades, Mao Zedong and Zhu de directed our Army's operations against the Japanese. In the summer of 1944 he was entrusted by the party Central committee with issuing important statements successively to Chinese and foreign journalists groups and a U.S. military observers group. The statements reported our Army's operations and battle results in various anti-Japanese democratic base areas behind the enemy lines, forcefully refuted Kuomintang diehards' slander against our Army, and enabled the whole nation and the whole world to know more about the truth of China's War of Resistance Against Japan.

After V-J Day Comrade Ye Jianying assisted Comrade Zhou Enlai in holding talks and reaching agreement with the Kuomintang on ending the civil war. Later, he served as the CPC representative at the Military Mediation Executive Commission in Beijing. He did extremely arduous work under extraordinarily difficult conditions. He exposed the fact that the Kuomintang authorities, supported by the United States, sabotaged the truce and restarted the civil war. He made wide contacts and united with patriotic democrats and displayed a proletarian statesman's firmness in upholding principles and flexibility in tactics.

Comrade Ye Jianying participated in the nationwide People's Liberation War led by the party Central Committee. In March 1947, he became secretary of the Rear Areas Committee of the CPC Central Committee in northwestern part of Shanxi and thus provided a powerful backing for the party Central committee and Comrade Mao Zedong in fighting in northern Shanxi and successfully directing battles across the country. In 1948 he was appointed president of the North China Military and Political College and helped train a large number of military and political personnel for the Army and local organizations. After the peaceful liberation of Beijing he served as chairman of the Beijing Military Control Committee and the mayor of the city and made important contributions to restoration and development of various undertakings in Beijing. When our Army moved south he directed the campaigns to liberate Guangzhou and Hainan Island.

After the founding of the People's Republic of China Comrade Ye Jianying took charge of the work in the south and central-south regions. The task of suppressing bandits in the south China region was completed under his leadership. In the course of leading the land reform in Guangdong Province he formulated a number of policies according to the principles and policies of the party Central Committee and in line with the actual conditions of Guangdong Province. History proves that those policies were completely correct. In 1954 he returned to Beijing to assume an important leading military post. He was an outstanding military educator and a pioneer of military science research for our army.

He always attached importance to training talented military personnel for our party. After our Army entered a new period of regularization and modernization Comrade Ye Jianying took charge of the whole Army's military training, founded the Academy of Military sciences, and directed the whole Army to unfold military scientific research. He scientifically summed up our Army's building experience and combat experience, explored the laws of a people's war under modern conditions, and took part in devising correct strategic principles. He also led the formulation of a series of rules and regulations of our Army and organized large-scale joint military exercises. He made an all-round contribution to building our Army into a powerful, modernized, regular, and revolutionary Army and to upholding and developing Mao Zedong Military Thought.

During the Great Cultural Revolution Comrade Ye Jianying waged indomitable struggles in various forms against the Lin Biao and Jiang Qing counter-revolutionary cliques -- in disregard of his own interests and safety. In February 1967 he joined several revolutionaries of the older generation in strongly condemning the crimes of Lin Biao and Jiang Qing in creating chaos in the party and the army, persecuting cadres, and sabotaging production. He even pounded the table when he was denouncing the crimes of Jiang Qing, Kang Sheng, Chen Boda, and their ilk. The boycott of the Great Cultural Revolution by Comrade Ye Jianying and others was slandered as an "adverse February current." In fact, it was not a so-called "adverse February current," but a "favorable February current," as Comrades Deng Xiaoping and Chen Yun later said. After Lin Biao fled China in September 1971, Ye Jianying took charge of the day-to-day work of the Military Commission, in his capacity as its vice chairman, and played an important role in stabilizing the situation in the Army and the country. In August 1973, he was elected vice chairman of the Central Committee at the 1st Plenary Session of the 10th CPC Central Committee. He gave his all-out support to Comrades Zhou Enlai and Deng Xiaoping when they were successively in charge of the day-to-day work of the party Central Committee and the State Council and joined them in exerting strenuous efforts to resist and correct the wrongs of the Great Cultural Revolution.

In 1976 Comrades Zhou Enlai, Zhu De, and Mao Zedong died in succession. The Jiang Qing Counterrevolutionary clique stepped up its conspiracy to seize the supreme leadership of the party and state. At the critical moment Comrade Ye Jianying and other comrades on the Political Bureau took resolute measures, based on the opinion of the majority of comrades on the Political Bureau, to smash the counterrevolutionary clique according to the wishes of the party and the people, thus ending the decade-long calamitous Great Cultural Revolution and rescuing the party from the danger. Comrade Ye Jianying played a decisive role in the struggle.

After the smashing of the Jiang Qing counterrevolutionary clique Comrade Ye Jianying, showing great foresight and removing obstacles, insisted on inviting Deng Xiaoping, Chen Yun, and other revolutionaries of the older generation to take charge of the leadership of the party and the state at once. He insisted on reversing the verdict on the "Tiananmen Incident" and redressing all the wrongly and falsely charged cases. In the 5 years between March 1978 and June 1983 he was the chairman of the Fifth NPC Standing Committee. During the new historical period of socialist construction he made magnificent contributions to setting things right in the party's guiding ideology, formulating the correct line and policies at the 3d plenary Session of the 11th CPC Central Committee, instituting reform and opening to the outside world, facilitating socialist modernization, improving democracy and the legal system for the election and appointment of competent people, and promoting the motherland's peaceful reunification.

In January 1979 Comrade Ye Jianying presided over a meeting of the NPC Standing Committee to adopt and issue a "Message to Compatriots in Taiwan." In September 1981 he issued the famous statement that specified the 9-point program for the reunification of the motherland and proposed that talks to held between the Communist Party and the Kuomintang on a reciprocal basis to bring about cooperation for the third time. The program and proposal is producing more and more impact on the reunification of the motherland, which became Comrade Ye Jianying's unfulfilled aspiration.

Comrade Ye Jianying went through the three historical stages of Old Democratic Revolution, New Democratic Revolution, and Socialist Revolution and Construction. Seeking, obeying, and upholding truth, he continuously advanced along with the tides of history. In struggles against the enemy, inner-party struggles, or all kinds of severe tests he never gave a thought to personal gain or loss and unswervingly upheld the party's principle of safeguarding the interests of the party and the people. With courage and far-sightedness in making careful plans and seeking truth from facts he boldly stepped forward at crucial historical junctions, making correct decisions and thereby revealing his strong party spirit, extraordinary wit, great revolutionary vision, and supreme military strategy. With the style of a proletarian statesman he took overall interests into account, united comrades, and was magnanimous to the people. Being modest, he demonstrated good democratic style and spirit of self-criticism. He was fond of reading and thinking, studied with perseverance, and possessed extensive knowledge and talent in various fields. He was also a poet. He attached a great importance to modern science and knowledge in general and held intellectuals in great esteem. We should forever emulate Comrade Ye Jianying's noble character and fine style.

In mourning Comrade Ye Jianying, we should learn from his exemplary deeds and carry on his unfinished cause, that is, to build our country into a highly democratic and civilized modern socialist power and unite the compatriots in Taiwan, Hong Kong, and Macao and Overseas Chinese in striving for the grand reunification and unity of the motherland, opposing hegemonism, safeguarding world peace, and seeking progress for mankind.

Eternal glory to Comrade Ye Jianying!

FOREIGN CONDOLENCES ON YE JIANYING'S DEATH

OW300237 Beijing XINHUA Domestic Service in Chinese 1602 GMT 29 Oct 86

[Text] Beijing, 29 Oct (XINHUA) -- Leaders of other countries recently sent telegrams or letters of condolence to Chinese leaders on Comrade Ye Jianying's death. They are Kim Il-song, general secretary of the Workers Party of Korea Central Committee and president of the DPRK; Prince Norodom Sihanouk, president of Democratic Kampuchea, Son Sann, prime minister, and Khieu Samphan, vice president in charge of foreign affairs of the coalition government; J. R. Jayewardene, president of the Democratic Socialist Republic of Sri Lanka; Corazon Aquino, president of the Republic of the Philippines; Muhammad Husni Mubarak, president of the Arab Republic of Egypt; Ahmed al-Mirghani, Chairman of the Sovereign Committee of the Republic of Sudan; Queen Elizabeth II of the United Kingdom of Great Britain and Northern Ireland, Richard von Weizsacker, president of the FRG; Jean, Grand Duke of Luxembourg; Yasuhiro Nakasone, prime minister of Japan; Mrs Thatcher, prime minister of the United Kingdom of Great Britain and Northern Ireland; Ruud Lubbers, prime minister of the Kingdom of the Netherlands; and Kentaro Hara, speaker of the house of representatives, and Masaki Fujita, speaker of the House of Councillors of Japan.

The USSR Supreme Soviet Presidium sent a message of condolence to PRC President Li Xiannian and chairman of the NPC Standing Committee Peng Zhen.

In addition, Queen Elizabeth II of the United Kingdom of Great Britain and Northern Ireland; U Ne Win, chairman of the Burmese Socialist Program Party Central Committee; and Ramaswamy Venkataraman, vice president of the Republic of India, sent messages of condolence to the family of Comrade Ye Jianying.

HU SHENG ON 'NOT' SEEKING ANSWERS FROM MARXISM

OW300524 Beijing XINHUA Domestic Service in Chinese 1607 GMT 29 Oct 86

[By RENMIN RIBAO reporter Cui Wenyu and XINHUA reporter Zhao Wei]

[Text] Beijing, 29 Oct (XINHUA) -- A national conference on planning for research in philosophy and social sciences during the Seventh 5-Year Plan opened in Beijing today. Hu Sheng, head of the Leading Group for Planning on Nationwide Research in Philosophy and Social Sciences and president of the Chinese Academy of Social Sciences, pointed out at the conference: The ongoing all-round reform in our country has brought about extremely deep changes in economic, political, social, ideological, and other fields; new situations and problems that need to be solved are cropping up one after another. It is now the best time for social scientists to bring their role into full play. Efforts should be made to greatly develop social sciences.

In his report entitled "Strive To Greatly Develop Social Sciences," Hu Sheng expounded on the achievements, problems, situation, and tasks in social sciences over the past few years as well as the principles for the development of social sciences, their structural reform and development, and other relevant questions.

Hu Sheng pointed out: The current period from the 3d Plenary Session of the 11th CPC Central Committee has seen social sciences develop the most quickly since the founding of the PRC, and people have been most active ideologically. It is also during this period that more achievements and bigger social benefits have been made. However, it should be clearly noted that the present situation in philosophy and social sciences is still far from meeting the requirements of the new historical period. Social scientists should make comprehensive scientific observations, explanations, and forecasts of the great, creative, ongoing reform in our country at various levels, in various categories, and from various angles -- such as philosophy, economics, sociology, the science of law, pedagogy, and ethnology -- in order to offer suggestions and plans for the reform. By so doing, social scientists will be able to give full play to the role of theory advancing ahead of practice and to its feedback role.

Hu Sheng said: We promote Marxism as a guide for research in social sciences. It is necessary to accurately understand and apply basic Marxist principles and methods but not to seek from Marxist works ready answers to current questions.

If one proceeds from Marxist principles and reasons through deduction, one cannot solve any problems; only when one proceeds from reality and accurately applies Marxist principles can one achieve high-quality results. He said: We promote the study of Marxism, but we absolutely do not use administrative means to force people to accept Marxism, nor do we require all scholars to be Marxists. Some sciences have their special areas and methods of study, and there is no need to impose a Marxist tag on them.

Hu Sheng pointed out: The basic principle for the development of social sciences is to integrate theory with practice. The most important mission in social sciences is to make a thorough, systematic investigation and study of new situations, new problems, and fresh experiences in socialist modernization in order to find some rules to guide reform and construction.

Hu Sheng said: In social science research, it is necessary to uphold the "double-hundred" policy and to practice academic freedom. He said: Making correct criticism is crucial for implementing this policy. Mistakes are hard to avoid in scientific exploration, and people should be allowed to make mistakes and correct them. It is necessary to promote accepting and upholding the truth in the interest of the people, and everyone is equal before the truth. Making criticism should be aimed not at making people suffer but at developing construction, science, and culture. He pointed out: There is no forbidden zone in academic research, and research may be conducted in all subjects that are conducive to national construction and the development of science. Hu Sheng said: In social sciences, we should also boldly introduce academic thought from various countries and select, criticize, absorb, and digest them after thoroughly studying them.

More than 300 experts and scholars are attending the conference. They will discuss and adopt a number of key subjects for research in philosophy and social sciences during the Seventh 5-Year Plan.

Deng Liqun, member of the CPC Central Committee Secretariat, presided over today's conference which was attended by Zhou Gucheng, Zhu Houze, and Qian Xuesen.

RENMIN RIBAO URGES END TO LOCAL PARTY FAVORITISM

OW200812 Beijing XINHUA in English 0801 GMT 20 Oct 86

[Text] Beijing, October 20 (XINHUA) -- Local party leaders should follow the example of the Shaanxi provincial leadership and root out official favoritism for relatives and friends, says a commentary in today's PEOPLE'S DAILY.

The Communist Party paper said Shaanxi party leaders had criticized five senior officials for pulling strings to enable 27 of their relatives to work in their departments.

For example, the paper said, they had given an official warning to the former secretary of the Lintong County party committee for arranging the transfer of four sons and a daughter-in-law to the county. The paper said the relatives had been returned to their old jobs.

Throughout the country, the paper said, too many party leaders "regardless of the party's principles and the party's and people's interests, have tried to get good jobs for their children, promote them to higher positions and help them get into college and into the party or go into business, all through improper channels." The paper said this was a "malpractice in political life and a vestige of feudalism," quoting an old saying "when people get to the top, their friends and relatives go there with them."

YU GUANGYUAN ON MARXISM SPIRITUAL CIVILIZATION

HK290829 Beijing RENMIN RIBAO in Chinese 18 Oct 86 p 5

[Article by Yu Guangyuan (0060 0342 6678): "Marxism and the Building of the Spiritual Civilization"]

[Text] The "Resolution on the Guiding Principles for Building a Socialist Society With an Advanced Culture and Ideology" passed by the 6th Plenary Session of the 12th CPC Central Committee is a programmatic document. This resolution and the "decision on the reform of the economic structure" passed by the 3d Plenary Session of the 12th CPC Central Committee cooperate with each other in dealing with matters of overall importance in their respective fields. The implementation of this document will greatly push forward with our country's modernization drive.

At the 12th party congress, in his report made on behalf of the CPC Central Committee, Comrade Hu Yaobang pointed out: "While building a high degree of material civilization, we must work hard to build a high degree of socialist spiritual civilization. This is a question of strategic policy in building socialism." Attaching so much importance to the building of spiritual civilization is a creation in the Marxist documents. However, we should also acknowledge: People "still have not fully understood the importance of building a spiritual civilization and the question of guiding principles has not yet been completely solved in practical work." At the same time, people still have a lot of one-sided views in their appraisals of the situation of our country's spiritual civilization and their understanding of the question of building the spiritual civilization. As for the guidance work, there have been no systematic and sufficient expositions on the strategic position of the building of the spiritual civilization in the entire socialist construction, on the relations between the building of the spiritual civilization and the building of the modern material civilization, the reform of the socialist structure and the policy of opening up to the world, on the guiding principles and basic tasks of the building of the spiritual civilization and on the tasks of all the important aspects concerning the building of the spiritual civilization. Therefore, the plenary session of the CPC Central Committee's formulation of such a document is very necessary for clarifying the direction and principles of the whole party and the people of the whole country who are making their efforts and for unifying the understanding of the people. As far as the progress of the party's work is concerned, the reform of the economic structure has been carried out for several years and has achieved great successes. The 3d Plenary Session of the 12th CPC Central Committee has also made a decision of historical significance. Comrade Deng Xiaoping has recently given some important instructions on the reform of the political structure and the CPC Central Committee is now carrying out indepth investigations and research in order to systematically deal with the question. At such a time, the formation of the CPC Central Committee's resolution on the guiding principles for building a socialist society with an advanced culture and ideology is doubtlessly of great realistic significance.

The "resolution" provides an overall exposition on the question of building the spiritual civilization. The various questions touched upon in the document are closely related with the guidance of Marxism. In the meantime, in the "resolution," a special paragraph is devoted to the exposition on the guiding role of Marxism in the building of the spiritual civilization. So, I'd like to talk about my personal understanding of the position and role of Marxism in the building of the spiritual civilization after studying the "resolution."

(1)

I think that one of the most outstanding characteristics of the "resolution" is that the "resolution" has profoundly applied the basic principles and methods of Marxism in dealing with the question of the guiding principles for the building of our country's spiritual civilization. The document has not only pointed out that "to realize the socialist modernizations of our country and build the socialist spiritual civilization, it is essential for us to adhere to Marxism-Leninism and Mao Zedong Thought as our guiding theory" but also expounded on the question of building the spiritual civilization in an all-round way by applying Marxist principles. The "resolution" has made a lot of important expositions to counter the erroneous ideology of separating the building of the spiritual civilization from or even setting the building of the spiritual civilization against the building of the modern civilization, the reform of the socialist structure and the carrying out of the policy of opening up to the world. As far as this question is concerned, I'd like to mention the following points as examples:

1) The "resolution" makes clear the purpose and main theme from the very beginning. Taking the overall scheme of the socialist modernizations of our country as the starting point in dealing with the question of building the spiritual civilization of our country, the "resolution" points out that the overall scheme of China's socialist modernization is as follows: "Taking economic development as the key link, we are to continue to reform our economic and political structures and at the same time speed up the country's cultural and ideological progress, making sure that these aspects of our work are coordinated and promote each other." The "resolution" also points out: "Because our work in promoting socialist culture and ideology is of strategic importance, we must ensure that it is capable of pushing forward China's socialist modernization, promoting the all-round reform and opening up to the outside world and embodying the four cardinal principles. This is a basic guiding principle for our work in this area." With such clear-cut stipulations, the "resolution" has indeed adhered to the Marxist philosophy's materialistic principle of proceeding from actual conditions and adhered to the Marxist historical materialistic principle of taking the building of the material civilization as the basis of building the spiritual civilization. The "resolution" is absolutely correct by advocating the idea that the building of the spiritual civilization should serve the realistic struggle to correct the ideology of separating the building of the spiritual civilization from the building of the modernizations, the reform and the opening up to the outside world.

2) When expounding on the question of ideological construction, the "resolution" uses the concept of "common ideal" at the present stage by explicitly pointing out: "To build socialism with Chinese characteristics and make China a modern socialist country having a high degree of democracy and an advanced culture and ideology -- such is the common ideal of the people of all our nationalities at the present stage." We should indeed have such a common ideal to ensure the political, moral and spiritual unity of all our people. At the same time, the document points out: "The ultimate ideal of our party is to build a communist society that applies the principle 'from each according to his ability, to each according to his needs.' For communists and other advanced people, this ideal has been, and will always be, a source of strength and moral support." The "resolution" highly values the ultimate ideal of communism but at the same time stresses that the ultimate ideal of communism should be closely linked with the common ideal of the Chinese people at the present stage. The "resolution" also emphasizes: "Socialism with Chinese characteristics is an indispensable stage in the transition to the realization of such an ultimate ideal. As far as Communists are concerned, to work for socialism of the Chinese style is to work for the party's ultimate ideal. Any communist who lacks faith and dedication in this practical struggle has deviated, wittingly or unwittingly, from our ideal and has ceased to be a politically conscious communist fighter." [paragraph continues]

In my opinion, this exposition is very important because it has correctly dealt with the relationship between the ultimate ideal and the common ideal and can powerfully check the empty talk on communism, which is divorced from reality. A real communist must enthusiastically and practically make contributions to the communist cause according to the correct general and specific policies in the realistic struggle. In 1918, in the article entitled "'Left-wing' Communism, an Infantile Disorder," Lenin said: "Only those who know that if they do not learn from the organizers of trusts, they will not be able to create and practice socialism are qualified communists." ("Selected Works of Lenin," Volume III, p 555) The spirit of the above mentioned paragraph of the "resolution" completely conforms with the spirit of this article of Lenin.

3) When expounding on the building of socialist ethics, the "resolution" points out in the light of the Marxist basic views on ethics: "Ethics are a reflection of the economic base of a society, not an abstract concept divorced from history. Since our country is still in the initial stage of socialism, we must apply the principle of distribution according to work and develop the socialist commodity economy and competition. Also, for a long time to come, we shall develop varied sectors of the economy, always ensuring the dominant position of the public sector, and we shall encourage some of the people to become prosperous first, before the objective of common prosperity is achieved. Therefore, when educating the people in ethics we should not condemn the justifiable differences in income that result from these historical conditions. At the same time, we should encourage people to develop socialist collectivism, which combines the interests of the state, collectives and individuals, and to cherish the general interest, be honest and trustworthy, help each other in the spirit of fraternity and care for the needy and those who are in difficulty. Socialist morality rejects both the idea and the practice of pursuing personal interests at the expense of others or pursuing the interests of one's own group at the expense of the larger collective, putting money above all else, abusing power for personal gain, cheating and extortion. In our effort to cultivate socialist morality, we do not mean to reject the principle of distribution according to work or to negate the commodity economy. We shall, on no account, regard egalitarianism (equal pay for unequal work) as an ethical principle in our society." Finally, the "resolution" sums up the question of cultivating the socialist ethics by saying: "In brief, in our effort to achieve ethical progress, we should proceed from reality and encourage the advanced elements while never neglecting the majority; we should spread education in ethics as widely as possible and try to raise the general standard. This will enable us to draw in people with varying degrees of political consciousness and to induce them to aim higher, so that there will be a powerful moral force uniting hundreds of millions of people." We should admit that only such an exposition is the comprehensive and accurate exposition on the building of socialist ethics of our country, which has been made under the guidance of Marxist Thought.

The above examples are those which I think can most clearly show that the "resolution" has used Marxism to guide the building of the spiritual civilization of our country. We all know that Marxism is the theory of scientific socialism. The basic contents of Marxism are: Capitalism has its own internal and unavoidable contradictions so that capitalism will eventually collapse, which will bring about the establishment of the socialist system. After the new system is established, through years of construction during which contradictions in the process of advances are to be overcome, socialism will continuously perfect and develop itself from a low level to a high level step by step and finally develop into the communist society that applies the principle "from each according to his ability, to each according to his needs." Subjectively speaking, the realization of the whole process of advance depends on the conscious, active and scientific actions of the progressive forces in the society. [paragraph continues]

The stipulations on the guiding principles for building a socialist society with an advanced culture and ideology, which are contained in the "resolution, are an important contribution to combining the general principles of Marxism with the specific and realistic situation of our country at a certain stage of economic and social development and in a certain international environment.

(II)

The "resolution" not only draws a lot of scientific inferences by studying the question of building the spiritual civilization of our country according to Marxist principles but also expounds on the important position of Marxism in the building of the spiritual civilization by pointing out: "As the scientific world outlook of the working class and one of the great achievements in the history of civilization, Marxism is the theoretical basis of socialism and of the leadership given by the party. It is the most important component of socialist ideology and will serve as a guide in all our work to build a socialist culture and ideology." Besides, the "resolution" also regards the development of Marxism as one of the most important components of building the spiritual civilization, demands that new achievements in building the spiritual civilization be made one after another in our country, and points out and ushers in some important guiding ideologies for the development of Marxism.

The "resolution" emphatically points out the question of the interrelation between adhering to Marxism and developing Marxism. The "resolution" deals with this question very successfully. It says: Instead of using fossilized concepts to interpret life, we must proceed from reality, make practice the sole criterion for verifying truth and jettison all those judgements and conclusions that have proved wrong in actual practice or out of keeping with changing realities. That is the only way to ensure that Marxism will keep abreast of social change and serve to guide it. And that is the way both to uphold Marxism and to develop it, the two being integrated in our practice of revolution and construction. It would be impossible to uphold Marxism if we rejected the overriding importance of practice and the need to observe reality from a developmental perspective and to bring forth new ideas." It is obvious that such a view is based on the understanding at "Marxism is a science that constantly enriches and develops itself in keeping with historical and scientific advances." According to the demands of Marxism, the "resolution" points out: "The task of China's Marxist theoretical workers in the new era is to study the new circumstances and new problems that have arisen in the economic, political, cultural and social fields and the new experience we have gained in the course of socialist modernization and reform, and to explore the laws that govern the building of socialism with Chinese characteristics. At the same time, they should investigate new developments and trends of thought in the contemporary world, assimilate those latest achievements of science that are useful to China and make a summation of them." We can believe that so long as we work hard according to the requirements of the CPC Central Committee, Marxism will certainly be greatly developed in China, and Marxism, as the science of socialist construction, will be constantly enriched and perfected.

After pointing out that it would be impossible to uphold Marxism if we rejected the overriding importance of practice and the need to observe reality from a developmental perspective and to bring forth new ideas, the "resolution" further points out: "It is wrong to regard Marxism as a rigid dogma." This idea is very important. For many years, in the theoretical propaganda of our country (including the teaching of politics in the schools), Marxism has been taught as a rigid dogma. [paragraph continues]

Because of various reasons, such a situation has not yet been completely overcome by now. This phenomenon is detrimental to bringing into play the guiding role of Marxism in the entire modernization course and the building of the socialist spiritual civilization. The CPC Central Committee has called on us to overcome this phenomenon. The theoretical workers of our country should conscientiously study the manifestations of such dogmatism in our country and find measures to effectively overcome this phenomenon. We should, therefore, study this document in the light of our own work and ideologies. Apart from the question of the attitude towards Marxism, we are also faced with the problem of lacking the ability to differentiate adhering to the fundamental principles of Marxism from regarding Marxism as rigid dogma. The "resolution" stresses "party cadres, especially those who are in leading positions or in charge of ideological work, should take the lead in studying Marxism. It is impossible to uphold and develop Marxism if we do not study it seriously." We must make strenuous efforts to raise our own Marxist standard.

While criticizing the dogmatic attitude, the "resolution" emphatically points out: "It is also wrong to negate the basic tenets of Marxism, view Marxism as an 'outmoded' theory and blindly worship bourgeois philosophies and social doctrines." This view is also very important because such problems do exist, especially among some young people. When analyzing the cause of such a situation, we should see both the objective and subjective sides of the cause. This situation can be said to be a punishment for the dogmatic theoretical propaganda carried out over the past years. This type of propaganda has created a lot of misunderstandings on Marxism among the people and made people regard non-Marxist things as Marxist ones. Marxism originally opposed rigid dogma. However, this type of propaganda has misinterpreted Marxism as rigid dogma. Therefore, some people think that Marxism cannot provide them with the answers they expected and they turn to look for a way out from bourgeois philosophies and social doctrines. Facing up to such a situation, we must do strenuous work. Simple work methods will only bring about negative results for our endeavors to correct such mistakes. The fundamental solution lies in the development of Marxism itself. In the meantime, our Marxist theoretical workers should carry out indepth study of the bourgeois philosophies and social doctrines with an objective and scientific attitude, try to understand their contents, analyze and criticize them. This work will take a relatively long time, so we should concentrate some of our efforts and do it conscientiously. In the future, we should frequently divert our efforts to this work. I can also see from the "resolution" that the "resolution" opposes the worship of some of the bourgeois philosophies and social doctrines, which is linked with the view that Marxism is "outmoded." The "resolution" does not negate the bourgeois philosophies and social doctrines in a general way, nor does it advocate a ban on contact with all the bourgeois philosophies and social doctrines. If we do not know the bourgeois philosophies and social doctrines, we will not be able to assimilate the things which are useful to us in them, let alone carry out criticism on the things which are erroneous in them.

The "resolution" emphatically points out: "We should therefore carry out the policy of 'letting a hundred flowers bloom, a hundred schools of thought contend.' We should encourage and support all bold explorative efforts and free debates that are based on scientific research, in order to stimulate research on Marxist theory, democratize our policy-making process and give our decisions a more scientific basis." The "resolution" also points out: "In making policy decisions and formulating plans, we should observe the principles of democratic centralism. [paragraph continues]"

But when it comes to academic issues and issues relating to the arts, we must abide by the principles of the Constitution and ensure academic freedom, freedom of creative writing, freedom of discussion, and freedom of criticism and counter-criticism." Letting a hundred schools of thought contend is indeed the only way to develop Marxism. The "resolution" further affirms the double hundred policy and the above mentioned several types of freedom in the form of a resolution made by the CPC Central Committee.

In May of this year when celebrating the 30th anniversary of the putting forward of the double hundred policy, I published an article in RENMIN RIBAO and discussed the following questions: Why was the policy actually abandoned soon after it was put forward in 1956? Why can we expect that the double hundred policy will be adhered to in the future when we stress it again today? In my article, I made such a comparative analysis of these questions: First, today, we explicitly stipulate that the historical task in the new period is to build a powerful socialist country with a high degree of democracy and a high degree of civilization and make clear that the emphasis of our work will be shifted to construction, economic construction in particular, whereas in 1956, although our party said something like this, it was not firm and certain in saying so. As a result, when the situation changed later on, the emphasis of our work was soon shifted to the class struggle and the double hundred policy was interpreted as the policy for carrying out the class struggle in the ideological field so that the real double hundred policy was actually abandoned later on; second, today, our country is carrying out reforms and has made the policy of opening up to the world the long-term national policy of our country, so the policy of letting a hundred flowers bloom, a hundred schools of thought contend can be regarded as a policy which goes side by side with the reform policy and the policy of opening up to the world whereas in 1956, there were no such policies as reform and opening up to the world so that the double hundred policy appeared lonely at that time; third, today, we have learned a historical lesson of the past 30 years and know what disasters will befall us if the double hundred policy is discarded; our people have raised their consciousness and will not allow anything that happens to change this policy; we clearly know that in order to carry out the reform and open our country to the world, we must adhere to and resolutely implement the double hundred policy whereas in 1956, we did not have so many experiences and our ideological consciousness was low. Now that the CPC Central Committee has passed this resolution, it is a powerful guarantee for the implementation of the double hundred policy. Therefore, the comrades who are engaged in scientific research, including the comrades engaged in the research of Marxist theories, must conscientiously study this resolution and be confident that our party is really firm and serious in implementing the double hundred policy and eliminating the obstacles in academic research so as to be bold to explore in their research, give speeches and write articles without any reservations, and do as demanded by the "resolution." However, the purpose of scientific research is to pursue truth and achieve the scientific research results which are useful to the socialist construction and not just to let different schools of thought contend. So we must pay great attention to the scientific spirit advocated by the "resolution" and practically carry out investigations and research. In the meantime, we must also pay great attention to the democratic spirit advocated by the "resolution" and evenly carry out discussions with those whose opinions are different from ours on the basis of equality and try to reason things out.

In my opinion, so long as we work hard according to the spirit of the "resolution," in the light of the practical needs and under the correct leadership and great support of the party, Marxism will surely be better developed in our country and the guiding role of Marxism in our country's modernization construction and in the building of the spiritual civilization will certainly be strengthened and brought into full play.

VICE MINISTER DISCUSSES ARTISTIC INDIVIDUALITY

HK241427 Beijing GUANGMING RIBAO in Chinese 15 Oct 86 p 4

["Special Feature" by reporter Sun Fumin (1327 2105 3046): "Respect the Authority of Art, Develop Individuality in Art -- An Interview With Ying Ruochen, Vice Minister of Culture"]

[Text] Late September, at an art seminar in commemoration of the 30th anniversary of the founding of the Central Experimental Theater, Ying Ruocheng, vice minister of culture, delivered a speech to encourage artists to develop their own artistic individuality. After the meeting, this reporter interviewed Comrade Ying Ruochen in his office and asked him to further expound on this subject.

"Individuality is the life of art. Without individuality, art will not glisten. Destroying individuality is equal to destroying art." Since becoming a vice minister, Ying Ruocheng is still as forthright in expressing his opinion as he used to be. "I oppose the practice of turning all performance troupes into copiers. According to such practice, if a play troupe performs a good play, all troupes throughout the country have to learn from it and perform the same play. Even the directing techniques and stage art are all copied without discrimination. As a result, they all lose their own characteristics and artistic styles. If a troupe is to form its own style, it must first have its art authority. This is determined by the character of the collective performance. No matter whether the troupe has 200 actors or merely 3 to 5 actors, there must not be 'creative freedom' for every member; instead, there must be one person who has the final say. A play must have a director, and a band must have a conductor. Even in the performance of chamber music, all performers must watch the first violinist's bow. Sometimes, even a single program also needs an authority. This is the case in all parts of the world. Artistic individuality is not an 'average fixture'; instead, it has distinct personality and color. This does not mean that I want to 'give too much prominence to the role of individuals.' This is in fact a law in the field of art. If you violate this law, you will be punished. In the past, we gave too little rather than too much prominence to authoritative individuals in art."

"Do you think that our performance troupes have serious problems in this regard?"

"Yes, the problems are not minor ones. I think that we should first remove the mental obstacles in our minds. For a long time in the past, the deep-rooted idea of egalitarianism not only seriously obstructed economic development, but also reduced the vitality of our art. This is not a defect in the art consciousness of certain person; instead it is a collective lack of consciousness and a terrible obstinate illness left over from history. We have to do some painstaking work over a long time to remove it. [paragraph continues]

Some people now tend to find fault with old artists and look down on young and middle-aged artists, because they think that as we grow up together, you should not be more capable than I am. In this regard, leaders must have self-knowledge. It is certainly a good thing if they themselves are also art authorities or experts, but such people account for only a small percentage of leaders in art circles. This is because more consideration is given to political integrity and ability to do organizational work and to unite people, when a person is to be promoted to a leading position. An artist usually does not have such abilities and background. An artist with high artistic attainments may not be able to unite other people, to write work reports, or to handle things in a logical manner. Therefore, if a leading member is not an authority on art, he should not pretend to be one. Your post does not necessarily help raise your standard and level of knowledge. Moreover, you should take the lead in showing respect to authorities on the arts. You should be capable of discovering an authority, and give him your support. Such a capability proves whether you are a good leader or not. Zhao Qiyang, former director of Beijing People's Theatrical Troupe was such a good leader. He knew only too well that he was not an authority on the performing arts, and he was far from being an expert in the theatrical arts. Therefore, he spared no efforts in supporting Jiao Juyin particularly in the latter's artistic exploration. When Jiao directed a play, Zhao would sit through the rehearsal even though some actors happened to be in low spirits and insist on everyone following Jiao's direction. It was not be easy for Zhao to do so because of all kinds of resistance. Retrospectively, I believe that Beijing People's Theatrical Troupe could not have developed its present status had it not been for Zhao's leadership. Of course, an authority is not designated by anybody, one becomes one only through artistic practice. So long as we eliminate our ideological obstruction, the authorities will appear in front of us. The reform of literature and art will make our contingent fewer in number but of a higher standard and bring in more income; all this is necessary. However, an extremely important point to be listed in our plan for reform is for the development of artistic masters. If this is done well, new vitality will be brought to the performing arts."

"When you were at the Experimental Theatrical Troupe, you said that because you and Comrade Wang Meng commended the play 'The Jade of He,' everybody rushed headlong into mass action and sang the praises of the play, with not a word against it. You believed this was not favorable to developing artistic individuality. As a responsible person of the Ministry of Culture, you must have some new experiences and understanding with regard to such repeated phenomenon?"

"Right. I am beginning to feel the bitter taste even though it has not been very long since I became a vice minister. If I am invited to see a show, it is a very difficult situation to deal with. I am asked for my opinion after the show and such questions as: 'Should that character die in the act?' But how should I know about that? If I say something, they will take notes and even switch on the recorder; then they will correct everything according to my words. Should someone have a different opinion, they will suppress it by saying that they are acting on the instruction of comrade so and so. In such an atmosphere and environment, some of our literature and art comrades have cultivated the habit of 'immediately responding to a call' and 'exercising a superior's instruction to the word' over a long period of time. This is very abnormal. However, the leadership should take the lead in changing such a state of affairs. Some comrades just love to talk, and they simply can't help it. To my mind, regarding things we don't understand or don't quite understand, the best policy is to keep our mouths shut about them. If one has something to say one must solemnly declare when one is making official comments on behalf of the leading organ of the cultural department, and when one is stating one's personal views. This must not be neglected."

"Nobody is omnipotent. All my life, I have been an actor. I can say, comparatively speaking, that I know the ropes about modern drama. But is it possible for me to say something about every play existing today? Of course not. A few days ago I was in Fujian to attend a puppet show festival. Well, I am an out-and-out layman in that field! I must study those things which I know nothing about. All that I can do is to find out what difficulties people have, and see if I can offer any help in solving them. I think, such work is far more significant than telling people how to deal with their plays in detail. Now I have become a leading member, but still I have no right to talk nonsense. Some people appear to be more modest; they say they will not touch upon artistic value but will deal only with the ideological value. Can there be any ideological value if art is left out? Doesn't it mean that two masks are involved? You have found the original mask incorrectly drawn, and your intention is to change it into a new one, right? Some work should be left to the critics. As government cadres in charge of cultural affairs, we should care for things that are our concern, but not otherwise. It is my view that the best policy is for us to talk less at the present stage."

"How do we organically link the development of the artist's individuality with socialist responsibility?"

"This should not be contradictory. Dispute on this issue has been going on for years in China as well as in other countries. How should one define a revolutionary work of art? Does it have to be the portrayal of the workers, peasants and soldiers? Not necessarily so. Gorki wrote exclusively on the degenerating bourgeoisie, and Lu Xun had wanted to write about the Red Army, however, he wrote on other subjects. Are not their works first-rate revolutionary works? Lu Xun said, probably the works of revolutionaries are revolutionary works. If the blood they shed was revolutionary, the works they wrote had to be revolutionary too. Of course, contradictory phenomena exist in practice, because our works of art involve two masks, which do not always coincide with each other. The ideological value in the works of some writers is sometimes not innate, does not flow out of their own veins, and is sometimes even instilled into them by others. Therefore, they have failed to write their works well, because their ideology is not up to that plane. Of course works of inferior quality do exist. Responsible government departments should have their own attitude regarding what should be advocated, opposed, commended, or criticized. It is of course wrong to let things drift and to turn a deaf ear to everything. Regarding some plays, Comrade Wang Meng and I have participated in the discussions about them; we have commended them and will even award them cash prizes. We refrain from doing so with regard to other plays; this shows our attitudes regarding different plays. However, we should by no means make blind proposals, or order people about. We should not regard ourselves as omnipotent. We can only do what we are capable of doing. The law governing art is independent of human will. The question what to "grasp" and how it should be "grasped" may play some role, but is not decisive. Was Shakespeare the outcome of anybody's efforts? Was Moliere the outcome of somebody's efforts? All I can do is to create conditions for the writer, and to offer him some help; but I can't take his place. If we have a good grasp of this truth, we may do more things helpful to the prosperity of art."

"You are a famous actor yourself. Now that you have become a vice minister, will it be possible for you to be cast in a play or film?"

"It will be rather difficult, but I shall do my best to try," he said with a bitter smile.

"But it is said that it will be all right for you to play Kubla Khan from now on, but not 'Liu with the pockmarked face'!"

At this, we both laughed.

REFORM REQUIRES MORE DISCUSSION, LESS CRITICISM

HK300631 Beijing RENMIN RIBAO in Chinese 28 Oct 86 p 1

[Commentator's article: "More Discussion, Less Criticism"]

[Text] There are now many questions concerning the building of socialist spiritual civilization. What should we do to find correct answers? A proper way is to conduct more discussion and less criticism.

People should be allowed to freely air their viewpoints and opinions on questions that they have interest in, and they can hold different opinions and calmly discuss various questions so as to inspire each other, complement each other, and help revise and improve each other's opinion. The sparks of truth will shoot up in the course of discussion, and the dust of falsehood will be sifted out. The history of human cognition shows that the conflict of different viewpoints and the trial of strength between different schools of thought are always effective ways to discover and develop truth.

All people acknowledge that China has undergone huge changes and made remarkable achievements in all fields. All this is linked to discussion. We may think, could there be such unprecedented emancipation of people's minds if there was not the discussion on "practice being the sole criterion for judging and testing truth?" If there was no discussion about the purpose of production, could we deepen our understanding of the socialist economic laws? If there was no discussion on the household contract system in the countryside, could the rural productive forces be raised so rapidly? In addition, all significant central documents, including the "communiqué" of the 3d Plenary Session of the 11th CPC Central Committee, the "Resolution on Certain Questions in the History of the Party Since the Founding of the PRC," the "Decision on Reform of the Economic Structure," and the "Resolution on the Guiding Principles for Building Socialist Spiritual Civilization", were results of extensive and intensive discussion. A great deal of discussions can be regarded as a major characteristic of the new historical period.

Free discussion has become prevailing in China mainly because the relevant stipulation of the Constitution has been put into practice and the principles of "letting a hundred flowers blossom and a hundred schools of thought contend" and "the principles of three nots" have been observed. The "Resolution on the Guiding Principles for Building Socialist Spiritual Civilization" adopted by the 6th Plenary Session of the 12th CPC Central Committee has provided a more reliable guarantee of the healthy development of discussions, and the general situation will become better and the general trend will not be reversed.

Less criticism does not mean that we should not conduct any criticism. Discussions certainly include different opinions and include criticisms and counter criticisms. We hold that all people who hold different opinions in discussions are equal before the Constitution and laws (party members are also equal before the party Constitution and party discipline). That is, all people are equal before truth. We must not repeat the abnormal criticism we conducted before. In order to eliminate the influence of the "extremely exaggerated class struggle in the field of ideology" as the resolution pointed out, as well as some "habitual forces and sensitive mentalities," and to create favorable conditions and a good atmosphere for normal criticisms, we should particularly advocate more discussion and less criticism in a certain period. This will also be accepted extensively.

In recent years, our newspapers did not publish critical articles as in the period of the Cultural Revolution, and there was no mass criticism; instead, they allowed different opinions to be aired and promoted discussions. This has achieved good results and is popular with the people. This practice is in line with the central spirit, and should be continued. At the same time, it is hoped that leading cadres, at various levels, will reduce their interference in various discussions which do not violate the Constitution and will not use coercive measures to suppress any opinion or make arbitrary conclusions. This will be useful to the development of democracy and will help the activity of the theoretical and thinking circles and promote the building of spiritual civilization.

NOTED JURIST DISCUSSES POLITICAL REFORM

HK300827 Hong Kong ZHONGGUO XINWEN SHE in Chinese 0627 GMT 29 Oct 86

[Text] Beijing, 29 Oct (ZHONGGUO XINWEN SHE) -- In an interview a few days ago the noted jurist Zhang Youyu said that reform of the political system should start with the separation of the party leadership from the government administration. This is the crux of the political reform and the key link in improving party leadership.

Today's GUANGMING RIBAO carried the interview.

Zhang Youyu said that the principle concerning separation of the party leadership from government administration was formulated long ago. The 1982 Constitution also revised the provision in the 1975 Constitution concerning separation of party leadership from government administration. The problem is that the principle has not yet been put into effect.

Zhang insisted that party leadership over government should be leadership in political matters, namely, policies, principles, and major issues, rather than the leadership of organizations and specific administrative work, or the monopolization of government work. Party leadership over government should mainly include the following: 1) Offering suggestions and ideas to state organs of power. The latter may refuse to adopt the suggestions, or may adopt them after revision; 2) Implementing party policies through government party organizations; 3) Relying on party organizations and members of government to ensure and supervise the implementation of the policies; and 4) Recommending cadres to government organs. However these cadres should be elected by the people's congress or appointed by the government. Party committees should respect and ensure the exercise of its functions by the people's congresses.

The separation of party leadership from government administration is only the first step in the political reform, Zhang Youyu pointed out. The second step will be the reform of the structure of political power, such as the establishment, position, functions, and duties of government organs and the relations between departments and between the higher and lower levels. The present problem is that party committees have exercised the functions of government organs, while government organs have performed the functions of enterprises and other departments.

Zhang said that the important tasks of the political reform also include perfecting the democratic and legal systems, simplifying overlapping organizations, and eliminating overstaffing problems, inefficiency, bureaucracy, and endless disputes over trifles.

In building the organs of political power, it is necessary to enlarge the organs' political power base, and boldly select leading cadres from among non-party members. The organs of state power should be streamlined and their duties should be clearly defined. It is necessary to take note of training administrative cadres. Apart from reestablishing the administrative colleges and institutes, the cadres now in office should also be trained in rotation.

RENMIN RIBAO DISCUSSES CONTRACT LABOR SYSTEM

HK300501 Beijing RENMIN RIBAO in Chinese 24 Oct 86 p 5

[Article by Zhao Lukuan (6392 1462 140): "Several Theoretical Problems Regarding the Labor Contract System"]

[Excerpts] Beginning in 1980, China has experimentally tried a labor contract system in some localities, thereby achieving some successes. However, for various reasons, in particular to the bias against and misunderstanding of the labor contract system, we have made slow progress with its implementation. In compliance with the needs of the economic structural reform and the development of socialist commodity economy, the State Council has now affirmed, from a legal viewpoint, that the labor contract system is a labor system of fundamental importance to China. This is a major reform in the labor system since the founding of the PRC and also an important result of the building of the legal system. The key content of the State Council's four provisional regulations concerning the reform of the labor system is the implementation of the labor contract system. The implementation of the regulations will significantly accelerate the development of the economic structural reform and of the building of the legal system in our country.

The Labor System Is the Outcome of Mass Socialized Production and Commodity Economy
[subhead]

When mass socialized production is carried out and commodity economy is practiced, any end product is no longer produced by individual laborers but instead is produced jointly by working groups (enterprises) on the basis of division of labor with coordination. Among other things, laborers should turn themselves into part of the system of division of labor of a particular working group before they can effectively combine themselves with the means of production. Hence, there inevitably exists a certain relationship of labor between the employing unit and laborers. Almost all countries, be they capitalist or socialist, now use labor contracts on varying scales and to varying degrees to readjust the relationship of labor between employing units and laborers. Moreover, we can also notice this kind of phenomenon: The scale and degree to which a country practices the labor contract system are basically determined by the level of the country's socialization of production and of its commodity economic development. This phenomenon is by no means accidental, because the economic roots of the labor contract system are precisely mass socialized production and a developed commodity economy. We must have a clear understanding of this point. [passage omitted]

China's Labor Contract System Reflects the Socialist Relations of Production [subhead]

Under the influence of the concepts of the home-grown natural economy and the foreign "product economy," more often than not people have for quite some time regarded the "iron rice bowl" and the practice of everybody eating from "the same big pot" as the superiority of the socialist system.

Related to this, during the trial implementation of the labor contract system, some comrades equated labor contracts under socialism with those under capitalism, or considered that the labor contract system would weaken the status of laborers as masters of the country. This is a misunderstanding resulting from force of habit. As we know, under social systems, capitalist and socialist, there exist many things which bear the same names and similar appearances but which are different in essence, one of which is labor contracts. Labor contracts are an indispensable partner in commodity economy. However, as far as commodity economy is concerned, there is, as it were, capitalist commodity economy and socialist commodity economy. This holds true for labor contracts. What labor contracts under capitalism are aimed at readjusting is the relationship of the trading of labor between the employer (capitalists and their agents) and the employee (workers and staff members), a relationship of the exploiter and the exploited. What labor contracts under socialism are aimed at readjusting is the relationship of rights and duties, based on the principle of equality and mutual benefit, between the employing unit and the laborer. [passage omitted]

Put briefly, the implementation of the labor contract system is an extremely important supporting link in the country's economic structural reform and also a major step in institutionalizing economic management. We must discard all old traditional concepts detrimental to reforms and the legal system and make continued efforts to perfect the socialist labor contract system so that it can play an increasingly great and positive role.

RENMIN RIBAO SUGGESTS STUDY OF CAPITALIST ETHICS

HK300629 Beijing RENMIN RIBAO in Chinese 24 Oct 86 p 5

["Academic Trends" column: "Capitalist Ethics Should Be Analyzed in Depth"]

[Text] In an article entitled "Opening Up to the Outside World and Building Ethics" carried in JIEFANGJUN BAO, Zhu Junfeng expounds the thought that reform and opening up to the outside world can greatly promote the building of spiritual civilization. This thought is proposed in the "Decision of the CPC Central Committee on the Guiding Principles for Building Spiritual Civilization." The author believes that opening up to the outside world has widened people's field of vision, emancipated their minds and brought about changes in ideology, concepts, and mentality. Opening up to the outside world is also favorable to our absorbing some of the progressive things in capitalist society's ideology and ethics. The ideological and ethical concepts in capitalist society are not necessarily the ideological and ethical concepts of capitalism. As far as ethics are concerned, they are a product of socio-economic conditions. In a capitalist society, the predominant ethics are the ethics of capitalism. Nevertheless, there are also the ethics of the working class. In their class status, the working class have formed the moral characteristics of diligence, bravery, loyalty, honesty, friendliness, unity, and mutual assistance, from which we should learn and draw lessons. Besides, every society has some of the norms which were described by Marx as "the simple, ethical, and righteous norms which should be observed in personal relations." In other words, it is a kind of simple code of conduct which is necessary for us to safeguard a normal social and living order, and should be followed by everyone in the society. Alternatively, it is what we call social ethics, which includes observing the social order, attaching importance to civility and politeness, paying attention to public hygiene, and so on. [paragraph continues]

This kind of social ethics is directly related to the degree of civilization development and the national traditions of a country, and has no class brand. In this regard, there are many things in capitalist society which we should study.

The author maintains that capitalist ethics should also be analyzed in depth. Fundamentally speaking, capitalist ethics are contradictory to the ethics of the proletariat and the working classes. However, some of the norms of conduct and ethical concepts also have progressive elements. Just take capitalist humanism for an example. There are some sincere humanists who oppose the threat of war from hegemony, fascism and terrorism. They can play a progressive role. Moreover, some elements of capitalist humanism, such as respect for people, seeking freedom, demanding equality, and so on, also have progressive qualities and should be absorbed by us and used for reference.

SHANGHAI STOCK EXCHANGE SHARES FULLY SUBSCRIBED

HK300541 Hong Kong SOUTH CHINA MORNING POST in English 30 Oct 86 p 1

[By Francine C. Brevetti, in Shanghai]

[Text] Shanghai's much vaunted stock exchange is proving to be a misnomer as residents arrive with fistfuls of cash but rarely find shares available for sale.

About 1,400 local companies have issued stock, but only two have received approval from the People's Bank of China to sell on the tiny exchange.

Those two sold all their issued shares long before the trading office opened on September 26, and although buyers keep returning, sellers do not, and it will be several months before another issue.

Adding to the frustration of China's growing number of investment-minded citizens is the ceiling the People's Bank has placed on the amount of profit shareholders can earn from their holdings.

The Shanghai exchange is located in the Jingan Branch of the People's Bank and its subsidiary, Shanghai International Trust and Investment Co (SITIC).

Branch manager Huang Guixian said he hoped the exchange would move to larger quarters next month, because long lines of prospective buyers interfere with the bank's normal work.

One visitor to the branch office, on a day when no shares were available, saw a group of enthusiastic buyers energetically debating the merits of the two issues traded -- Shanghai Yanzhong Copying Industry Co and Feile Microphone Co.

On Saturday, Feile issued a new batch of shares and these were fully subscribed in half a day.

Mr Huang said that when the exchange first opened, crowds of young and old, men, women and children spilled into the street -- a response that took the banking authorities by surprise.

"We didn't think they'd take to it to start with," Mr Huang said.

The amount of cash people had been stashing in ginger jars and under mattresses was no less astonishing to the authorities.

Chinese people have long been wary of keeping their money in banks -- banking hours are inconvenient and making deposits and withdrawals requires tiresome paperwork.

Those who now have their savings invested in shares are participating in what Western economists consider a daring foray into capitalism.

While Chinese banking leaders do not agree with this assessment, Mr Huang did admit that people were eager to hold equity in an enterprise and to have their voices heard.

The People's Bank sets strict criteria for companies wishing to issue shares, monitoring, through the Industrial and Commercial Bank (ICB), and management capabilities and financial position of these enterprises.

"We are responsible to the shareholders. We would never allow any company on the exchange that might go bankrupt," ICB manager Wang Yuchun said.

In view of the tremendous response to the fledgling stock market, the ICB would be scrutinising more companies, and four or five were likely to be approved in the next six months, he said.

Meanwhile, the two companies whose shares are permitted to trade at present plan to issue more stock in the near future.

Deposits in bank savings accounts in China earn 7.2 percent. A shareholder is restricted to 7.2 percent interest on his or her holdings and a return of no more than 7.8 percent in dividends. These disbursements are issued yearly.

Companies are not allowed to pay out more than 15 percent in all, but personal income tax of 12 percent is deducted from the calculation.

Feile paid shareholders 18.75 percent in interest and dividends in its last disbursement. With the tax rate deducted, the government considers a 6.75 percent payout.

The People's Bank is keeping ceiling on rates during this experimental period, and Mr Wang would not hazard a guess on the future policy.

But the present arrangement apparently suits local investors, who are proving to be wary of speculating.

The bank branch has raised its prices five times hoping to induce shareholders to sell, but they will not part with their holdings.

Business is expanding in other securities in Shanghai with the ICB planning to undertake trading in bonds for commercial and public entities. It will soon issue 100 million yuan in municipal bonds on behalf of Shanghai City.

Mr Wang, the ICB manager, also anticipated the bank would issue corporate and treasury bonds and engage in mortgage funding.

Computer equipment has been purchased from Hitachi and International Business Machines to process accounts on the infant exchange.

One of the two companies trading on the exchange The Yanzhong Copying Co, which duplicates blueprints for construction companies, tested the public appetite for equity investment in January when it raised five million yuan in six hours of trading.

Alerted by a newspaper advertisement to the offer of stock in the company at 50 yuan a share, the public responded enthusiastically.

A videotape of the Yanzhong trading on January 1 shows eager buyers, lined up in their winter wraps, waiting to buy their share certificates.

The company's president and general manager, Mr Zhou Xinrong, had said the sale of shares was to fund expansion. He also wanted to assemble a board of directors for the firm.

With the five million yuan raised, the company was able to build two more retail shops, construct a factory for the manufacture of plastic goods and another for the production of kitchen utensils.

Yanzhong has since begun to construct a large industrial building but the project needs more cash and Mr Zhou is now considering the purchase of a McDonald's franchise with Overseas Chinese from the Philippines.

Mr Zhou, who anticipates raising two million yuan in a new share offer in January, admitted that trading in shares is a controversial issue in China.

"Some people equate shares with capitalism. My idea is that it is a good way to apply socialism to developing our economy.

"If I hadn't sold shares, that money would not have been available for the company," he said.

Only Shanghai companies will be permitted to participate in the fledgling market for the time being, but the ICB's Mr Wang said that many foreigners have shown interest.

The Central Government is looking at the idea of admitting foreigners, and the possible criteria for joint ventures.

Bankers had argued investment in stocks diverted funds from the banking system, but the money would probably never have found its way into a bank deposit, Mr Zhou said.

He said the manager of the trading room has seen huge wads of yuan exit from pockets of people who wanted to buy 300 and 400 shares at a time. "People have plenty of ready cash," he said.

RENMIN RIBAO ON PROBLEMS OF TOWNSHIP ENTERPRISES

HK300633 Beijing RENMIN RIBAO in Chinese 22 Oct 86 p 2

[Newsletter by Reporter Jiang Shijie (3068 0013 2638): "The Development of Town and Township Enterprises Is Still Hindered by Egalitarianism and the Indiscriminate Transfer of Resources"]

[Excerpts] A survey recently conducted by the central department concerned of some 100 towns and townships in 14 provinces and cities indicates that the development of town and township enterprises still faces many problems. One of the problems is that in their own interests, some departments have indiscriminately transferred the resources of town and township enterprises or imposed restrictions on their development. This has found expression in the following four aspects:

1. Under the pretext of grouping trades under departmental management, some departments have indiscriminately transferred the resources of town and township enterprises. Qingzhou City in Shandong Province has forcibly turned township machine-building factories into enterprises directly under the city's management. [passage omitted]

2. Some departments have used impractical regulations to impose restrictions on town and township enterprises. [passage omitted]

3. Under the pretext of "supporting agriculture," some departments have "schemed against" town and township enterprises. For example, some grain departments have sold their oil refineries and oil-pressing machines of the 1920's to town and township enterprises under the pretext of "supporting agriculture." Afterward, they have built new factories, bought new machines, and stopped the supply of raw materials to town and township oil refineries. [passage omitted]

4. Some departments have restricted the development of town and township enterprises through exchange of unequal value. [passage omitted]

Commentator's Article

HK300635 Beijing RENMIN RIBAO in Chinese 22 Oct 86 p 2

[Commentator's article: "In the Exercising of Supervision by Specialized Departments, It is Impermissible To Practice Egalitarianism and Carry Out Indiscriminate Transfer of Resources"]

[Text] Town and township enterprises in China have traversed a tortuous path. Under the pretext of exercising business management according to types of trade, some departments have indiscriminately transferred the resources of town and township enterprises or imposed all kinds of restrictions on them, thereby hampering their development.

Town and township enterprises cover a wide range of trades and are connected with many central and local business departments. With the divorce of enterprises from state industrial departments and the establishment of trade management law, we should put town and township enterprises under trade management according to their types of business. This has an important bearing on the rational distribution of the country's industry, the coordinated development of the urban and rural economies, and the enhancement of technology. This job should be done well. However, exercising trade management according to the types of business does not mean indiscriminately transferring the resources of enterprises. The 1984 document of the CPC Central Committee on blazing a new trail in town and township enterprises points out: As town and township enterprises are under the socialist collective ownership system, in the exercising of management by specialized departments, it is necessary to protect their property ownership rights and their autonomy in carrying out production, operation, sales, and the distribution of profits, while the relationships between management departments of town and township enterprises remain unchanged. Under the pretext of strengthening trade management, some departments have forcibly changed the ownership of and subordinate relationships between town and township enterprises and unreasonably imposed restrictions on their development. This runs counter to the principles of the exercising of trade management by specialized departments and violates the guiding principles on developing town and township enterprises and the basic economic policy concerning the Long-term coexistence of various types of ownership system. It must therefore be resolutely and speedily corrected.

The erroneous practice of indiscriminately transferring resources in economic work has been criticized since the 3d Plenary Session of the 11th CPC Central Committee. Some departments and localities, however, still indulge in this practice. The reason is that apart from being affected by the "leftist" idea of "attaching too much importance to the state-run economy, disregarding the collective economy, and squeezing out the individual economy," they are envious of town and township enterprises that have high output value, good profits, and excellent prospects for development. They are always thinking about placing these enterprises under their control, and restrict or retaliate against these enterprises if they cannot achieve their aim. This is forgetting justice at the sight of profits and taking account of only departmental or regional interests to the neglect of the development of the rural economy and the national economy as a whole.

Running town and township enterprises is an important component of China's modernization drive. [paragraph continues]

In this newly emerging cause, the functional departments of the central and local governments have the duty to care for, protect, and support town and township enterprises; they have no right to indiscriminately transfer the resources of these enterprises, to add to their difficulties, or to impose harsh terms on them. In exercising management according to types of business, the departments concerned should also do service work, including, for example, helping town and township enterprises work out development plans, studying important policies on the economy and technology of these enterprises, organizing the exchange of information, and carrying out technological exploration and the training of talented people. If possible, trade management departments should also provide town and township enterprises with financial and material support and equipment. In conclusion, we should remove obstacles to the development of town and township enterprises through management by specialized departments, and not the opposite.

CENTRAL CIRCULAR ON RURAL POLITICAL POWER

OW290543 Beijing XINHUA Domestic Service in Chinese 0131 GMT 28 Oct 86

[Text] Beijing, 28 Oct (XINHUA) -- The CPC Central Committee and the State Council have called on various localities to further straighten out relations among the party, government, and enterprises in the countryside and truly build rural basic-level political power into a vigorous, authoritative, and highly efficient top level political power maintaining close ties with the masses, wholeheartedly serving the people, and effectively leading local administrative districts in handling political, economic, cultural, and other affairs after they have fully completed their work in separating people's commune management from government administration and establishing township governments.

In this connection, the CPC Central Committee and the State Council recently issued a "Circular on Strengthening the Work of Building Rural Basic-Level Political Power." It says: After separating commune management from government administration, township party committees must act on the stipulations in the party Constitution and the requirements on dividing party and government work and concentrate efforts on implementing the party's line, principles, and policies. They must strengthen basic-level party units ideologically and organizationally; exercise vigorous leadership over the CYL, the All-China Women's Federation, and the militia; pay full attention to political and ideological education among the peasant masses, and bring about steady improvement in party style and social ethics, instead of doing everything for the government. Township party committees must guarantee that the township government independently exercises its functions and powers given to it by the Constitution and the laws and support the head of the township in boldly doing his work. Party and government organizations at and above the county level must also solve the problem of rationally dividing party and government work and lead basic-level units in carrying out work according to the practice of dividing party and government work. Township party committees must not take on the work of township governments.

On the issue of separating government functions from business management, the "circular" points out: After the separation of government functions from business management, township governments in many localities have asked local economic organizations to manage economic affairs because they are staffed with people to handle economic affairs. This still does not serve the purpose of separating government functions from business management. Township governments must be staffed with necessary professional cadres according to actual needs in order to ensure that the government controls the economy.

The "circular" says: In controlling the economy, township governments mainly adopt economic, legal, and administrative means to develop commodity production. Each township government must support the township's economic organizations in exercising their right to keep the initiative in their own hands. It cannot take care of everything or substitute economic organizations to carry out specific activities. Moreover, it should not turn economic organizations into administrative organizations.

The "circular" says: Currently, many county-level departments have set up branch offices in townships. They have exercised overly rigid and excessive control. As a result, township governments can hardly carry out their work within their jurisdiction in an unified manner. We must reform this kind of administrative system that separates higher levels from lower ones. The fundamental principle of reform is to simplify government administration and delegate power to lower-level units. Powers that can be delegated to lower levels should be transferred to the township.

The "circular" calls on various localities to establish a township-level financial system as quickly as possible. Localities where a township-level financial system has already been set up should tap new financial resources for the township while developing commodity economy in order to accelerate rural construction.

In order to raise work efficiency and simplify the administrative structure, the "circular" stipulates that, in general, no district office will be established under the county level except in outlying mountainous areas and localities where transport facilities are poor.

The "circular" calls on all localities to do a good job in building township political power, raise the quality of cadres, and earnestly improve their workstyle. The "circular" stipulates that all localities must organize township cadres to undergo training in groups and stages in the next 3 years. Prefectures shall be responsible for training township cadres holding the position of chief or deputy chief, while counties shall be responsible for training ordinary township cadres. The main contents of the training program are: Basic Marxist theories, legal knowledge, science and technology, modern management expertise, party policies on reform and economic development in rural areas.

The "circular" suggests that all localities, in line with the principle of streamlining the administrative structure at higher levels and strengthening that at grass-roots level, should strengthen the contingent of cadres at the township level; establish and improve the system of personal responsibility among township cadres; introduce the system of management keeping the objective in mind; and vigorously commend and reward cadres who have persisted in working in poverty areas for a long time, who have contributed to transforming these areas, and who have done much in assisting these areas.

The "circular" points out: The present organization of villager's (residents) committees in a considerable number of areas, those with economic difficulties in particular, is weak. Even worse, some of the committees have no responsible person. Party organizations and governments at all levels must pay special attention to this problem and adopt measures to solve it so as to enable independent mass organizations to better play their role of educating, managing, building, and serving themselves.

The "circular" urges party committees and governments at all levels, those at the county level in particular, to improve their leadership over the work of building rural political power. They should vigorously promote comprehensive reform at the county level by coordinating economic reform with political restructuring, by carrying them out simultaneously, and by coordinating structural reform at and above the county level with that at the basic level so as to further improve the system of political power at the grass roots.

The "circular" points out: The party Central Committee and the State Council have instructed civil affairs departments to take charge of the daily work of building grass-roots political power in urban and rural areas. Party committees and governments at all levels should assist civil affairs departments in carrying out this work successfully.

YU QIULI ATTENDS LONG MARCH ART EXHIBITION

OW210429 Beijing Domestic Service in Mandarin 1200 GMT 20 Oct 86

[Excerpt] An opening ceremony was held this morning at the Military Museum of the Chinese People's Revolution for an art and calligraphy exhibition commemorating the 50th anniversary of the success of the Long March of the Chinese Workers' and Peasants' Red Army. Leading comrades Yu Qiuli, Kang Keqing, Li Desheng, and others attended the opening ceremony and made a tour of the exhibition.

Leading comrades Deng Xiaoping, Xu Xiangqian, Yang Shangkun, Yang Dezhi, Yu Qiuli, Zhang Aiping, Hong Xuezhi, and others offered their works for the exhibition. [passage omitted]

FANG YI AT INTERNATIONAL FOUNDRY EXHIBITION

OW191110 Beijing XINHUA in English 1105 GMT 19 Oct 86

[Text] Beijing, October 19 (XINHUA) -- The Beijing International Foundry Exhibition, the first of its kind in China, opened here today.

Fang Yi, state councillor and honorary president of the Chinese Society of Nonferrous Metals, attended the opening ceremony of the exhibition.

The exhibition displays foundry equipment, testing instruments and moulding materials from 19 companies in 15 countries and regions.

Also on display are 33 advanced foundry technologies for export made by Chinese companies.

JIANGSU RADIO COMMENTS ON TWO TYPES OF CIVILIZATION

OW270119 Nanjing Jiangsu Provincial Service in Mandarin 1100 GMT 21 Oct 86

[Station commentary: "Firmly Advocate the Strategic Principle of Simultaneously Grasping the Two Types of Civilization"]

[Text] The Resolution of the CPC Central Committee on the Guiding Principles for Developing Socialist Spiritual Civilization pointed out: A new problem facing the whole party under the new circumstances is how to ensure that efforts are made to simultaneously develop the two types of civilization. We must concentrate our efforts on studying the resolution adopted by the CPC Central committee in close connection with what we believe and with our work. We must earnestly tackle issues; understand the basic views, essential points, and major requirements of the resolution; correctly and completely comprehend the guiding principles of promoting socialist spiritual civilization; and unify our ideas on the basis of the guidelines laid down by the resolution.

A pressing and important task facing the party committees at all levels is how to address problems in our guiding ideology and actual work in simultaneously developing the two types of civilization. Naturally, to simultaneously develop the two types of civilization involves the issue of work methodology. However, it first of all involves the issue of guiding ideology. The resolution adopted by the CPC Central Committee has made a clear exposition on various measures in promoting China's socialist modernization program and on the common ideals of the people of all nationalities in China. We often say: To build socialism in China with Chinese characteristics we must simultaneously develop the two types of civilization, promote overall reform, open the country to the outside world, and advocate the four cardinal principles. If we compare the development of our socialist modernization program with a huge rocket that is about to fly into the blue sky, the two types of civilization are just like the rocket's two wings. Neither of the two wings can be dispensed with.

In implementing the principle of simultaneously developing the two types of civilization, we must pay attention to tackling the following two issues.

1. We must firmly correct the thinking of ignoring or despising the development of spiritual civilization. We must regard the development of spiritual civilization as an important item on our daily agenda. We must pay full attention to the development of spiritual civilization in the same manner as with our economic work. We must work out specific measures for the development of spiritual civilization, set good examples, vigorously explore the law for the development of spiritual civilization under new historical conditions, and solve actual problems that will greatly affect the development of spiritual civilization in one's own locality.

2. We must pay full attention to linking spiritual civilization with economic work, and do away with the idea of separating the two. Spiritual civilization permeates the whole process of material advance and manifests itself in the economic, political, cultural, and other aspects of social life. Therefore, to strengthen the development of spiritual civilization is not only an issue which involves the ideological, cultural, and educational departments, but also an issue which involves other fields of endeavor. [passage indistinct]

An upsurge in studying and implementing the resolution adopted by the 6th Plenary Session of the 12th CPC Central Committee is now in full swing. [paragraph continues]

Let us study hard the resolution adopted by the CPC Central Committee, earnestly ponder things, further raise our awareness, sum up the experience which has been proven unique by our practice, attain new and even more extensive experience, and strive to create a new situation for the coordinated development of the two types of civilization in our province.

SHANDONG HOLDS MEETING ON CORRECTING PARTY STYLE

SK280031 Jinan Shandong Provincial Service in Mandarin 2300 GMT 25 Oct 86

[Text] The leading group for correcting party style of provincial level organs recently convened a meeting to discuss and arrange for the work of correcting party style in the future. First, we should conscientiously study and profoundly comprehend the guidelines of the resolution of the 6th plenary session of the 12th party Central Committee; enhance our consciousness in correcting party style; combine the studying and implementation of the guidelines of the resolution with the reality of correcting party style; understand the importance, difficulty, and the protracted nature of correcting party style, strengthen our sense of responsibility and urgency in correcting party style; and overcome the slack mood. We should also attend to the work of correcting party style by regarding it as a focus of building spiritual civilization.

Second, we should examine and sum up this year's work of correcting party style in line with the guidelines of the resolution. Led by the guidelines of the resolution, and in line with the predetermined plans and programs, all units should depend on the broad masses of party members and cadres to conscientiously conduct self-examination on party style, sum up experiences, and find out where we fall short in this regard in the last 2 months of this year.

Third, in the course of formulating specific programs for implementing the guidelines of the resolution, we should draw up specific plans and measures for correcting party style next year and strive to basically improve party style in line with the demands of the 12th party congress.

Fourth, we should study the resolution well and promote all items of work to correct party style. We should regard the overcoming of serious cases of bureaucracy and the improving of our work efficiency as the major tasks for correcting party style and improving the work style of official organs. We should continue to conduct education on party style, party spirit, and party discipline among the broad masses of party members and establish, perfect, and implement the inner-party supervision system. At the same time, we should further attend to investigating and handling law and discipline violations.

Fifth, leaders at all levels should, through studying the resolution, define their duties in building the two civilizations, adhere to the principle of simultaneously grasping the two civilizations, and use still more time and energy to strengthen their leadership over the work of correcting party style. They should strive to overcome the lack of time and personnel for correcting party style. At present, they should grasp the investigation and implementation of the system of being responsible for correcting party style and should pay attention to grasping the typical cases and supervision work in order to correct party style in a realistic and penetrating manner.

SHANGHAI EASES FINANCIAL RULES ON FOREIGN FIRMS

OW242134 Beijing XINHUA in English 1537 GMT 24 Oct 86

[Text] Shanghai, October 24 (XINHUA) -- The local government of China's most densely populated city of Shanghai has decided to cut land use fees for foreign investors here by a big margin.

The city's export-oriented and technologically advanced enterprises with foreign investment will not have to pay land use fees for the first three years after their establishment -- except for those in busy urban sectors, according to a 16-article provisions announced by the government today.

Beginning from the fourth year, the maximum land use fees will not exceed 2.5 yuan (77 U.S. cents) per square meter a year.

Before November 1 when the provisions become effective, the land use fees were usually five yuan to 20 yuan for each square meter, or even more, local officials said.

Export-oriented and technologically advanced enterprises will pay less or be exempted from local income tax, according to the provisions.

They will be given priority in obtaining water, electricity, gas, transportation services and communication facilities needed for their production and operation. Fees shall be charged at the same rate as local state-owned enterprises.

Local banks are also instructed to give preferential treatment to these enterprises in providing loans.

All firms with foreign investment no longer need to pay the government housing subsidies as they did before in accordance with the number of Chinese staff and workers. And these are allowed to be kept as an additional fund for improving the employees' housing conditions.

They are also permitted to freely employ technicians, managerial staff and workers inside or outside the city proper.

The municipal authorities have also set up three special departments to improve the service for foreign investors, including the provision of raw materials and helping resolve their shortage of foreign exchange.

Foreign Investment Regulation

OW300015 Shanghai JIEFANG RIBAO in Chinese 25 Oct 86 p 2

[Shanghai municipal regulation governing incentives to foreign investment, promulgated 24 October]

[Text] Article 1: To attract more foreign investment, import advanced technology, earn more foreign exchange from exports, and accelerate Shanghai's economic development, Shanghai's various districts and departments, in addition to earnestly implementing the "State Council Regulations Governing Incentives to Foreign Investment," must also earnestly implement this regulation.

Article 2: During the state-provided period of exemption from enterprise income tax, enterprises producing for export or applying advanced technology will also be exempted from paying local income taxes. After the state-provided exemption period has expired, these enterprises will be exempted from paying local income taxes for 3 more years. After that, they will enjoy 3 more years in which they need pay only half the normal local income taxes.

Article 3: When the period of exemption from local income taxes prescribed herein in this regulation has expired, an enterprise producing for export will be exempted from paying local income taxes for any year in which the enterprise exports over 70 percent of its products.

Article 4: With the exception of those in downtown areas, enterprises producing for export or applying advanced technology will be exempted from paying land use fees for 3 years, beginning from the date of inauguration. Beginning from the fourth year, they will pay only 50 percent of the prescribed minimum land use fee, which should be no more than 2.5 yuan per square meter per year.

Article 5: The housing subsidy for Chinese staffers and workers, which a foreign investment enterprise was formerly required to pay to the authorities, will be kept by the enterprise itself as a supplementary fund for improving the housing conditions of its staffers and workers.

Article 6: The technical and management personnel and workers needed by a foreign-investment enterprise may be openly recruited in Shanghai or recruited or loaned from other localities under the guidance of the labor and personnel departments. Personnel recruited or loaned from localities outside Shanghai will return to their original places after they are discharged from employment.

Article 7: Enterprises producing for export or applying advanced technology will be given priority in the use of water, electricity, coal gas, and transportation and communications facilities for production and management and will be charged for these services with the same payment standard enjoyed by the state enterprises in this municipality.

Article 8: Loans or short-term revolving funds needed by an enterprise producing for export or applying advanced technology to meet production or circulation needs or other credit loans it requires, will be granted priority after examination by the bank(s) with which the enterprise has established an account, or other financial organs.

Article 9: A foreign investment service organ will be set up under the Shanghai Municipal Leading Group for Foreign Investment Work to provide administrative services to foreign investors.

Article 10: A foreign exchange regulatory organ will be set up to handle the foreign exchange regulatory activity among foreign investment enterprises under the supervision of the foreign exchange control departments.

Article 11: A foreign investment materials service organ will be set up to facilitate the supply of raw and other materials to foreign investment enterprises.

Article 12: Greater decision-making power will be given to the economic and technological development zones. Foreign investment enterprises in the economic and technological development zones will be granted more favorable terms. Specific measures in these areas will be issued separately.

Article 13: Official replies to project proposals, feasibility study reports, contracts, and regulations submitted by foreign investment enterprises under the jurisdiction of this municipality will be given within 30 days of their reception by organs in charge of the examination and approval of such documents. A certificate of approval will be issued within 10 days of its reception.

Article 14: This regulation also applies to enterprises set up in Shanghai with investments by companies, enterprises, and other economic concerns or individuals from Hong Kong, Macao, and Taiwan.

Article 15: The Shanghai Municipal Commission for Foreign Economic Relations and Trade is responsible for the interpretation of this regulation.

Article 16: This regulation becomes effective on 1 November 1986.

ZHEJIANG SECRETARY ATTENDS DISCUSSION MEETING

OW272345 Hangzhou ZHEJIANG RIBAO in Chinese 19 Oct 86 p 1

[Excerpts] On 18 October, the Zhejiang Provincial CPC Committee invited responsible persons of all democratic parties and relevant bodies and nonparty personages to attend a discussion meeting. At the meeting, Wang Fang, secretary of the provincial party committee, talked about his experiences in studying, with the other participants, the "Resolution of the Central Committee of the Communist Party of China on the Guiding Principles for Building socialist Spiritual Civilization." [passage omitted]

Touching on the basic guidelines of the "resolution," Wang Fang said: The first part of the "resolution" specifically proposes the overall scheme of socialist modernization. This means we must take economic development as the key link, continue to reform our economic and political structure, and strengthen the building of spiritual civilization. This overall scheme tells us that, in the new historical period, there is only one key link in the whole party, which is economic development. If our economic development is a failure, building spiritual civilization and all other work will lack material groundwork. Therefore, reform in economic and political structures and building spiritual civilization must all center around this key link, accord with, and serve it. [passage omitted]

Wang Fang said: The "resolution" emphasizes that we must infiltrate the building of spiritual civilization into that of material civilization and let the former prevail in the economic, political, cultural, and other fields of social life. [passage omitted] Wang Fang also pointed out: To build spiritual civilization, we must have unity and development of mind. We must see it from the angle of improving the quality of the people. [passage omitted]

GUANGXI MILITARY DISTRICT CALLS MEETING

HK291133 Nanning Guangxi Regional Service in Mandarin 1100 GMT 26 Oct 86

[Excerpt] On 23 October, Guangxi Military District held a meeting of subdistrict party committee first secretaries. The participants discussed how the people's armed forces departments would adapt to the system of dual leadership and harmonize relations after they are put under the leadership of cities and counties and how they lead the people's militia to take an active part in the work of promoting cultural and ideological progress along with material progress.

Present at the meeting were Chen Huiguang, secretary of the regional party committee and first secretary of the Guangxi Military District party committee; Tao Aiyang, deputy secretary of the regional party committee; (Chen Ren), vice chairman of the regional people's government; Xiao Qichu, political commissar of Guangxi Military District; (Li Licheng), deputy commander of Guangxi Military District; (Sun Guoxing), Guangxi Military District chief of staff; and (He Yaodong), deputy political commissar and Political Department head of Guangxi Military District; and first secretaries of party committees of all military subdistricts and principal leaders of prefectural and city party committees.

In his speech at the meeting, Comrade Chen Huiguang emphasized three points: 1) County and city party committees must make detailed studies of instructions and work assignments made by higher military organs and examine and supervise the people's armed forces departments in carrying them out. 2) The people's armed forces departments should instinctively follow the leadership of party committees of governments of counties and cities and of higher military organs. They should report their work to higher authorities on their own initiative and act as good advisers for them. They should boldly exercise leadership over lower people's armed forces departments and lead them to fulfill all tasks for the militia reserve service. 3) The people's armed forces departments should strengthen ties with departments of party and government organizations and seek their support and cooperation.

Comrade Chen Huiguang called on leading comrades of party and government organizations at the prefectural, city, and county levels to, as always, pay attention to strengthening the people's armed forces departments. They should politically trust the people's armed forces departments, support their work, take good care of them, and help them solve their practical problems to arouse the enthusiasm of cadres working for the people's armed forces departments. [passage omitted]

GUANGXI SECRETARY ON TRAINING TALENTED PEOPLE

HK230737 Nanning Guangxi Regional Service in Mandarin 1100 GMT 20 Oct 86

[Excerpts] On 16 October, ZHONGGUO RENCAI BAO [CHINA TALENTED PEOPLE NEWS] frontpaged a statement on the question of talented people made by Chen Huiguang, secretary of Guangxi regional party committee, when he was interviewed by reporters of the newspaper.

Chen Huiguang stressed: Leaders at various levels should devote much attention to the training of talented people and take good care and make proper use of them. At the same time they should redouble their efforts to train and promote talented people of minority nationalities. To get the economy of Guangxi to flourish, we must make the best use of our time to train personnel who can be made useful as early as possible.

Chen Huiguang said: Talented people are the foundation of administering a country and form the source of pioneering a great cause. To rejuvenate China and Guangxi, we must attach importance to qualified people and take good care of them. Reform is now being carried out in our region. Reform needs qualified people, and, in turn, they push it forward. To expand the forces of production and to meet the challenge of the new technological revolution in the world, what is most important is to make good the shortage of qualified people. Leading cadres at various levels must build up deep in their hearts a steady concept of thinking highly of qualified people and take good care of them. We must not be satisfied with the existing state of affairs and must give up the erroneous idea that we can carry out production just the same even if there are no qualified people. Without qualified people, promoting new products and promoting the progress of socialist modernization are out of the question. [passage omitted]

Referring to the question of making use of qualified people, Chen Huiguang pointed out: We must assign jobs to people according to their abilities and encourage them to display their abilities to the full. This is the key link in making full use of talented people. Leaders at various levels and organization and personnel departments should be fully aware of the special skills, traits, hobbies, personalities, and strong points of talented people of different types. In assigning jobs to them, we must do our best to develop their strong points and avoid their weak points. Some cadres with special professional knowledge who have organization and leadership abilities and who are good at handling relationships between people can be promoted to party and government leading positions. Some cadres who have great attainments in professional knowledge but no organizational and leadership abilities and who are not adept at mass work should not be promoted reluctantly to leading positions but should be assigned to professional positions to bring their abilities into full play. [passage omitted]

Speaking on cadres of minority nationalities, Chen Huiguang particularly stressed: Great efforts should be devoted to training and promoting cadres of minority nationalities. The minority peoples in Guangxi account for 39 percent of the total population, but cadres of minority nationalities only constitute 31.1 percent of the total number of cadres. This is not a proper ratio. Most areas inhabited by minority peoples remain poverty stricken. To develop the economy in these areas and to eliminate poverty and backwardness, what is important is to adopt vigorous measures to train and promote talented people of minority nationalities. We are now making a thorough study of how to train more talented people of minority nationalities in line with actual conditions. From a long-term point of view, the solution to the problem should start with elementary education. In the areas inhabited by minority peoples where conditions permit, continuous efforts must be made to open training classes for minority peoples in primary and middle schools, and some preparatory courses for students of minority nationalities should be run well in universities. In enrolling new students in universities and colleges, special treatment must be offered to people of minority nationalities in the selection of courses and in entrance examinations. We must stimulate the enthusiasm of all quarters so as to establish a system of training cadres of minority nationalities through different channels and at different levels. [passage omitted]

GUANGZHOU MILITARY REGION AIR DEFENSE TASKS CITED

HK270917 Wuhan Hubei Provincial Service in Mandarin 1100 GMT 23 Oct 86

[Text] The second enlarged meeting of the people's air defense commission of the Guangzhou Military Region opened in Wuchang this morning. The participants will review the people's air defense work during the Sixth 5-Year Plan and to assign tasks concerning the people's air defense for the Seventh 5-Year Plan.

Participants in the enlarged meeting will also visit some air defense facilities in Wuhan that were built based on the principle of coping with the needs of both peacetime and wartime.

In the past few years, in the wake of economic development in our country, the people's air defense work has been shifted from a closed orientation to an open orientation in the three provinces and one autonomous region in the central-south area of China. Air defense facilities that were used free of charge in the past are now used on a rental basis, and the principle of maintaining air-raid shelters with income arising from air-raid shelters and the enterprise management method is now practice. As a result, the economic and social benefits of the air defense facilities have been brought into full play. According to statistics, the area of air-raid shelters in the three provinces and one autonomous region of the central-south area that have been used to open hotels, shopping arcades, and warehouses totals 1.06 million square meters, which has resulted in an output value and a volume of business totaling over 233 million yuan.

Present at the enlarged meeting were You Taizhong, chairman of the People's Air Defense Commission and commander of the Guangzhou Military Region; Liu Cunzhi, deputy commander of the Guangzhou Military Region; Guo Zhenqian, governor of Hubei Province; and leading comrades of the three provinces and one autonomous region of the central-south area.

MULTIFUNCTION FINANCIAL MARKET OPENS IN WUHAN

OW2551148 Beijing XINHUA in English 0829 GMT 25 Oct 86

[Text] Wuhan, Oct 25 (XINJUA) -- A multi-function financial market, considered the biggest of its kind in China, opened yesterday in Wuhan, capital of South China's Hubei Province, today's "ECONOMIC DAILY" reports.

More than 400 business people representing banks, credit cooperatives, insurance companies and enterprises from 25 cities attended the market's opening.

The market includes four sections -- commercial funds, stock transfer, bill discount, and adjustment of foreign currency distribution among enterprises.

In the first hour after the market opened, 34 transactions worth 330 million yuan (89 million U.S. dollars) were completed. The largest single transaction had a value of 50 million yuan (13.5 million U.S. dollars).

The market is open for business every Friday, but registration and special financial matters are handled every day. "State financial organs have no right to interfere in the market's affairs," an official in charge of the market said.

GUIZHOU DISCUSSES DISCIPLINE INSPECTION WORK

HK280855 Guiyang Guizhou Provincial Service in Mandarin 2300 GMT 25 Oct 86

[Excerpts] The provincial Discipline Inspection Commission recently held a meeting of the provincial Discipline Inspection Commission members and prefectural as well as city Discipline Inspection Commission secretaries. The participants seriously studied the resolution of the 6th Plenary Session of the 12th CPC Central Committee. On the basis of understanding the spirit of the document, the participants thoroughly discussed ways of making the party's discipline inspection work promote reforms and the work of improving party work style. The meeting held that, at present, we must resolve three problems:

First, we must firmly establish the guiding ideology that focuses on economic construction and promotes reforms and the work of opening up. [passage omitted]

Second, we must really improve the work style. By going down to the realities of reforms, we should fully support the work of reforms and fully affirm the deeds of comrades who are bold in carrying out reforms and making innovations. Also, we should help those who committed mistakes when carrying out reforms to sum up their experience and continue their progress after correcting the mistakes.

Third, we must update our thinking and be bold in discarding outdated conventions. We must establish new concepts that conform to the development of socialist commodity economy and correctly handle the new situation and problems concerning discipline inspection work.

SICHUAN, YUNNAN DISCUSS ECONOMIC COOPERATION

HK291435 Chengdu Sichuan Provincial Service in Mandarin 2300 GMT 27 Oct 86

[Excerpts] Between 21 and 25 October, Yunnan's Zhaotong Prefecture held its second meeting on economic cooperation relations between adjacent areas in Sichuan and Yunnan Provinces. Representatives from Sichuan's Yinbin, Luzhou, Leshan, Dukou, Liangshan, and Ganzi Prefectures, cities, and autonomous prefectures attended the meeting. [passage omitted]

According to incomplete statistics, by the end of September this year, the 11 prefectures, cities, and autonomous prefectures of the 2 provinces had signed 175 economic and technological agreements and contracts, as well as cooperative and joint venture projects. Of these, 63 have been carried out.

In addition to maintaining the previous relations, this meeting promoted more cooperative projects between the two provinces in the areas of transportation, commodity, finance, and energy resources, which are now problems awaiting prompt solutions. At the same time, the meeting drafted and adopted suggestions and measures on further invigorating the circulation channels, strengthening the lateral economic links, and greatly promoting the lateral links and cooperation among enterprises. Thereby, the economic and technological cooperation of the adjacent areas in the two provinces will develop in a continuous and healthy way.

Present were responsible comrades of the liaison section under the coordination office of four provinces in southwest China, economic and cooperation offices of Sichuan and Yunnan Provinces, as well as Guizhou's Bejie Prefecture and Liupanshuki City.

XIZANG SECRETARY ADDRESSES 23 OCT MEETING

HK271047 Lhasa Xizang Regional Service in Mandarin 1130 GMT 23 Oct 86

[Text] On the afternoon of 23 October, the regional party committee sponsored a public lecture in Lhasa Theatre on study of the resolution adopted at the 6th Plenary Session of the 12th CPC Central Committee. Proceeding from actual conditions in Xizang, Wu Jinghua, secretary of the regional party committee, talked about what he had learned from the resolution to more than 300 cadres at and above the prefectural level.

In order that all cadres at and above the county level will study the resolution well, the regional party committee decided to prepare study classes in rotation. From now until next March, all cadres at and above the county level of the region will go to a training course in turn and by stages.

Secretary Wu Jinghua also called on all party members and leading cadres of the region to study and grasp the essence of the resolution, and on this basis to adopt helpful suggestions and measures for promoting cultural and ideological progress in line with actual conditions in Xizang.

Attending the public lecture were Pagbalha Geleg Namgyai, Raidi, Doje Cering, Basang, Jiangcun Luobu, Jiang Hongquan, Zhang Xiangming, Cao Xu, (Liu Renzhou), (Liu Taoqi), Pudoji, Lang Jie, Jimzhong Gyaincain Puncog, and other party, government, and military leading comrades of the region.

YUNNAN SETS FINANCE, PRICE INSPECTION GOALS

HK281437 Kunming Yunnan Provincial Service in Mandarin 1100 GMT 25 Oct 86

[Excerpts] Last night's provincial telephone conference on the large-scale inspection of taxes, finances, and commodity prices pointed out: Over the past few years, a large-scale inspection of taxes, finances, and commodity prices has been carried out every year. It is necessary to regard this work as an important part of straightening out party style and as an important measure for ensuring the healthy development of reform of the economic structure. If we do not strengthen the socialist legal system, enforce discipline, investigate the practices of violating discipline and law, and correct and deal with them according to the law, reform can hardly progress smoothly, production will be affected, and the interests of the party and people will be infringed upon. Violation of law and discipline, economic crimes, and unhealthy trends are the real obstacles to reform, opening up, and invigoration, but straightening out party style and strictly enforcing financial and economic discipline supplement and affect each other and should be simultaneously carried out. The telephone conference was presided over by Zhao Hua, director of the provincial Finance Department. Vice Governor Jin Renqing delivered an important speech at the conference. In his speech, Vice Governor Jin Renqing first analyzed and summed up the achievements scored in and existing problems of the large-scale inspection in recent years and put forward the key points and requirements for this year's large-scale inspection.

Vice Governor Jin Renqing said: Regarding the key points of this large-scale inspection of finances and taxes, we must mainly investigate the problems arising this year and last year that still have not been investigated and dealt with. In the aspect of commodity prices, we must stress investigating the prices of the means of production and market retail prices and bring under control and supervise the practice of indiscriminately imposing charges and key cities' prices of pork, poultry, eggs, and a large number of vegetables. [passage omitted]

Vice Governor Jin Renqing said: We must strive to basically complete this large-scale inspection this year. It should end before next year's Spring Festival. At the conclusion of the inspection, five requirements must be fulfilled:

1. The practice of violating discipline will be basically and clearly investigated.
2. After the problems are investigated, they will be dealt with according to regulations.
3. All taxes and profits that should be paid and income derived from the violation of discipline will be paid into the treasury.
4. Cadres and workers will receive education and strengthen their concepts of the legal system, policies, and overall situation.
5. The relevant regulations and systems will be put on a sound basis and perfected.

In conclusion, Vice Governor Jin Renqing stressed: All places must unify thinking, strengthen leadership, closely coordinate with one another, strictly implement policies, and fight this tough battle of large-scale inspection to the end and should not hastily call off this battle.

YUNNAN MEETING HEARS SOCIAL, ECONOMIC REPORT

HK271126 Kunming Yunnan Provincial Service in Mandarin 1100 GMT 25 Oct 86

[Excerpt] A reporter learned from the plenary meeting held this morning by the 24th meeting of the 6th provincial People's Congress Standing Committee that despite frequent natural disasters in our province this year, relatively good achievements in carrying out the plan for the national economy and social development have been scored.

At the plenary meeting this morning, the participants listened to the report made by Zhong Qiqing, chairman of the provincial Planning Commission, on the situation in carrying out the plan for the national economy and social development of our province this year. He said: In 1986 our province has had more frequent natural disasters in economic construction and bigger difficulties in all aspects and encountered more problems than in the past few years. However, due to the fact that people's governments at all levels have strengthened leadership and the people of all nationalities throughout our province have made concerted efforts and worked hard, in agriculture throughout the province, except for a reduction in the output of grain, oil, and tobacco, the output of other main industrial crops has increased to different degrees. Industrial production has developed continuously, steadily, and in a coordinated way. Industrial output from January to September increased 6.9 percent over the same period last year. So long as we further strengthen leadership and mobilize the people of all nationalities throughout our province to fight hard in the fourth quarter, it is possible to fulfill the plan for the national economy and social development for this year still better.

At this morning's plenary meeting, entrusted by the provincial people's government, Zhao Hua, director of the provincial finance department, made a report of the situation in carrying out Yunnan Province's 1986 local financial budget and of the views on partial readjustments. [paragraph continues]

Zhao Hua said: The situation in the local revenue and expenditure of the whole province from January to September this year was basically good, with the province fulfilling 70.8 percent of the quota for the revenue. Calculated on the basis of comparable items, local revenue recorded an increase of 7.4 percent over the corresponding period last year. In the budgetary expenditure, as the Ministry of Finance increases 1985 subsidies for our province and appropriates some special funds, we must make some readjustments. The total expenditure increased from 4.34 billion yuan in the original plan to 5.03 billion yuan. According to the budgetary expenditure after readjustments, from January to September our province fulfilled 61.8 percent of the quota for expenditure. Calculated on the basis of comparable items, expenditure was 25.4 percent more than in the same period last year. At present, all levels and departments are striving to do all aspects of work well to ensure a balance of revenue and expenditure for the year.

At today's plenary meeting of the 24th meeting of the 6th provincial People's Congress Standing Committee, the participants also listened to the report made by Qian Changwei, director of the provincial Judicial Department, on the situation of popularizing elementary legal knowledge; and to the explanations made by Yu Huoli, vice chairman of the provincial People's Congress Standing Committee, on the draft resolution on the decision on county and township elections. [passage omitted]

YUNNAN LEADERS ATTEND PEOPLE'S CONGRESS SESSION

HK241058 Kunming Yunnan Provincial Service in Mandarin 2300 GMT 22 Oct 86

[Excerpts] The 24th session of the 6th provincial People's Congress Standing Committee was held on the morning of 22 October at Kunming's People's Victory Hall. [passage omitted]

Li Guiying, chairman of the provincial People's Congress Standing Committee, presided over the morning session. The session adopted the agenda for the 24th session of the 6th Provincial People's Congress. Later, the Standing Committee members studied in groups the resolution of the CPC Central Committee on the guiding principle of building socialist spiritual civilization.

The session was attended by Yan Yiquan, Ma Wendong, and Yu Huoli, vice chairman of the provincial CPPCC; Sun Zhineng, president of the provincial Higher People's Court; and (Wu Guangwen), deputy procurator of the provincial People's Procuratorate.

CATHOLIC CHURCH REOPENS IN BEIJING 28 OCT

OW281350 Beijing XINHUA in English 1244 GMT 28 Oct 86

[Text] Beijing, October 28 (XINHUA) -- Braving unusually chilly winds, more than 200 Catholics attended the reopening ceremony today of the Church of St. Theresa in southern Beijing.

Built in 1923, the church has been a primary school since 1958.

City officials say more churches and mosques will be reopened in Beijing's suburbs later this year.

After it was returned to the Catholic Church last February, the Church of St. Theresa spent 50,000 yuan (about 13,500 U.S. dollars) for a five-month renovation.

The church is the fourth reopened in the Chinese capital since the 1966-1976 "Cultural Revolution," when all churches in the city were closed.

The Cathedral of Our Saviour, Beijing's largest, was reopened just before last Christmas.

Catholic authorities say there are more than 30,000 Catholics in Beijing.

Bishop Michael Fu Tieshan of the Beijing Diocese presided over today's rededication ceremony.

"The reopening of the church is another reflection of the implementation of the country's policy of religious freedom," he said.

The church will be run by the convent of the Beijing Diocese, which is located just outside the church. Reopened earlier this year, the convent has 13 novices from throughout Beijing.

NEI MONGGOL PARTY RECTIFICATION SUCCESSFUL

SK300831 Hohhot Nei Monggol Regional Service in Mandarin 2300 GMT 29 Oct 86

[Text] Recently, some pertinent and responsible comrades of the Central Party Rectification Guidance Commission have gone to the pastoral areas of Xilin Gol League to investigate the party rectification situation of various sumus and gachas. The party rectification conducted by the pastoral areas of Xilin Gol League has provided successful experiences for the party rectification of various minority nationalities areas, particularly the remote border pastoral areas. Starting last May, the party rectification among sumus and gachas in the pastoral areas of Xilin Gol League was basically finished in early September. The methods and characteristics of the party rectification of this league are as follows:

1. Leaders have attached importance to and made proper preparations for party rectification. At the very beginning of party rectification, all sumus and banners in the league established and improved their party rectification leading bodies and implemented the system of leading cadres at all levels assuming responsibility for their own units and dividing up the work. [paragraph continues]

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Party committees at the league and banner levels have released some party members and cadres from their subordinate organs and organized them as a liaison group to strengthen their leadership over the party rectification work of various sumus and gachas. The league party rectification office has also organized an inspection group to uncover and solve problems. When party rectification began, this group conscientiously learned about the real situation of various grass roots party organizations, and thus had a pretty good idea of their situation.

2. The methods have been appropriate and the policies accurate. In carrying out party rectification, party committees at the league and banner levels have paid attention to correcting party style and strengthening party spirit, and have closely combined the strengthening of education on the party purpose with the examination and correction of unhealthy trends. Considering the facts that the party rectification among the pastoral areas covers a large area and a great deal of work and its task is very heavy and must be fulfilled on time, party committees at the league and banner levels have encouraged their cadres to vigorously attend party classes collectively or respectively so that they can acquire a good understanding of various documents. On the basis of enhancing their understanding, party committees have mobilized party members to ferret out the problems existing in party style. At the stage of comparison and examination, attention has been paid to solving such problems as abuse of power for personal gain, serious law and discipline violations, and the confused financial accounts of various gachas, which was most resented by the masses. Through solving these problems, the herdsmen have seen the achievements of party rectification.

3. In line with the practical situation in party members' ideology, the reality of reform, and the economic and cultural situation of the pastoral areas, the Xilin Gol, League has definitely conducted the ideological education, education on the purpose of serving the people, and education on the party principles and policies, thus straightening out the guiding ideology for the pastoral work.

NEI MONGGOL MEETS ON READJUSTING 1986 BUDGET

SK300817 Hohhot Nei Monggol Regional Service in Mandarin 2300 GMT 29 Oct 86

[Excerpts] The 19th Standing Committee meeting of the 6th regional People's Congress opened in Hohhot on 29 October.

The main items on the agenda are to hear and discuss a report of the regional people's government on readjusting the 1986 fiscal budget; hear and discuss a report of the regional people's government on the region's disaster situation and relief work; discuss the revised draft regulations on forest management in Nei Monggol Region; and discuss the regulations on comprehensively improving the environment of Baotou City.

The plenary meeting held on the morning of 29 October was presided over by Batubagen, chairman of the regional People's Congress Standing Committee.

(Wang Guosheng), deputy director of the regional Financial Department, gave a report on the region's financial revenue and expenditure situations. During the January-September period of this year, our region fulfilled 76.5 percent of the financial revenue budget, an increase of 15.2 percent over the same period of last year; and 86.6 percent of the expenditure budget which was formulated at the beginning of this year, an increase of 23.3 percent over the same period of last year. Judging from the general situation, the region's implementation of the annual revenue and expenditure budgets has been good. [passage omitted]

At the plenary meeting held on the morning of 29 October, (Liu Lan), deputy director of the regional Agricultural Commission, also gave a report on this year's disaster situation in the region. Zhou Beifeng, Seyinbayaer, Chao Luomeng, and Butegegi, vice chairmen of the regional People's Congress Standing Committee, attended the meeting. Liu Zuohui, vice chairman of the regional government, and responsible comrades of the regional Higher People's Court and the regional People's Procuratorate, attended the meeting as observers. Group discussions were held in the afternoon.

SHANXI HOLDS DISCIPLINE INSPECTION CONFERENCE

HK300747 Taiyuan Shanxi Provincial Service in Mandarin 2300 GMT 28 Oct 86

[Excerpts] At the provincial work conference on case trials, which was held on the morning of 28 October, (Xu Muwang), a member of the provincial Discipline Inspection Commission Standing Committee, said that when trying cases, we must rectify party work style and protect, as well as stimulate, reform. In trying cases, we must strictly follow the regulations. In his speech, (Xu Muwang) reviewed the province's case trails situation, following the Central Discipline Inspection Commission work conference on case trials held in 1983. He also put forward suggestions on future work:

First, we should continue to correct the ideas guiding all fields of work and correctly enforce party discipline. We should correctly understand the relationship between strictly enforcing party discipline as well as correcting party style, and reform and economic construction. We should have a good party work style and strictly enforce discipline to ensure the smooth progress of reform and economic construction. [passage omitted]

Second, we should implement in an in-depth manner the regulations on trying cases and gradually standardize the work. Cases of party discipline violation should be tried in a centralized way by the examination departments in connection with the limits of their authority, instead of as previously, whereby examination authorities handled investigation and examination procedures correctly and promptly, both investigation and examination department must strengthen their contacts voluntarily and keep each other informed. They must uphold the practice of seeking truth from facts. [passage omitted]

Third, we should improve work style and strengthen the ideas for guiding all fields of work. Departments in charge of investigation and examination must improve their practice of waiting for cases to come to their door. Instead, they should always go down to the grass roots and find out the actual case handling conditions of grass-roots discipline inspection commissions. They should positively strengthen their guidance over discipline inspection commissions at the lower level.

Fourth, we should strengthen our leadership and further do well in building the investigation and examination workers contingent. Case trial work is the last procedure in handling discipline violation cases. Whether or not we do well greatly influences discipline inspection work as a whole. Discipline inspection commissions at all levels must therefore acquire a deeper understanding of the work. [passage omitted]

Zhang Bingfa, deputy secretary of the provincial Discipline Inspection Commission, presided over the conference.

HEILONGJIANG SECRETARY ON SPIRITUAL CIVILIZATION

Lectures Industrial College

SK260353 Harbin Heilongjiang Provincial Service in Mandarin 2200 GMT 25 Oct 86

[Text] On the morning of 25 October, Sun Weiben, secretary of the provincial party committee, gave a lecture to all party members of Harbin Industrial College on the issue of studying the CPC Central Committee's resolution on guiding principles for building socialist spiritual civilization.

Comrade Sun Weiben introduced the basic situation of the 6th plenary session of the 12th party Central Committee, expounded the basic guidelines of the resolution, and gave guidance for understanding the resolution and conducting spiritual civilization in accordance with the Marxist scientific world outlook and Marxist theoretical methods.

He said: We should master the spiritual essence of the resolution and upgrade our understanding and ideas through study. Through study, we should attain two aims. First, we should eliminate some fundamental problems. Since the resolution is a Marxist programmatic document, we should conscientiously make efforts to deeply and thoroughly study it and to master its basic guidelines so as not to be hampered by the old ideas or [words indistinct] the guidelines of the resolution. Second, we should carry forward the study style of linking theory with practice to truly raise our ideological understanding to a higher level and to truly facilitate the promote our work. In accordance with the actual conditions and in line with the ideological and practical factors going against and inconsistent with the guidelines of the resolution, grasp and discuss key problems, and seek unity of thought in line with the guidelines of the resolution so as to change blind practices into conscientious ones.

In regard to the college's tasks for building spiritual civilization, Comrade Sun Weiben said that the basic goal of the institutions of higher learning for spiritual civilization is to cultivate and educate qualified talented persons with lofty ideals, education, morality, and a sense of discipline to conduct the four modernizations.

He called on college students to make new contributions to enlivening the economy of Heilongjiang and to developing various undertakings.

Addresses Propaganda Meeting

SK260406 Harbin Heilongjiang Provincial Service in Mandarin 2200 GMT 25 Oct 86

[Text] After 7 days in session, the provincial meeting of directors and deputy directors of the Propaganda Department on studying the CPC Central Committee's resolution on guiding principles for building socialist spiritual civilization concluded in Harbin City on 24 October.

Comrades from the Propaganda Department and the lecturers' groups under the provincial party Committee respectively introduced their experiences in studying the resolution at the meeting. Sun Weiben, secretary of the provincial Party Committee, delivered a speech at the meeting.

He said: The resolution adopted by the 6th plenary session of the 12th party Central Committee has set forth many new theoretical ideas and viewpoints strictly in accordance with the guidelines of the 3d plenary session of the 11th party Central Committee. He answered a series of major questions concerning spiritual civilization under the new historical situation. The resolution, composed of eight sections, is a well-knit one. We must deepen our understanding of the resolution and grasp the interrelationship between the eight sections so as to comprehensively master the principles for building socialist spiritual civilization.

He said: In order to study the resolution well, we must have a correct stand, viewpoint, and method. We should persist in the Marxist viewpoint on scientific undertakings and Marxist theoretical methods to master the spiritual essence of the resolution.

First, we should abandon the ossified ideas of socialism, focus on setting up socialism with Chinese characteristics, and persist in the correct orientation made since the 3d plenary session of the 11th party Central Committee.

Second, we should repeatedly think over the historical lessons, respect objective practices, and persist in the principle of seeking truth from facts.

Third, we should correctly understand the guidelines of the resolution to eliminate both leftist and rightist influences.

Fourth, we should pay special attention to eliminating the pernicious influence left over by feudalism in the course of studying and implementing the resolution and conducting socialist spiritual civilization.

Comrade Sun Weiben emphatically concluded: At present, we should focus on grasping the link of studying the resolution. In the course of studying the resolution, we should pay attention to two tendencies such as paying no attention to the study of the resolution and conducting formalism while studying the resolution. Simultaneously, localities, departments, and units should clearly understand what they should grasp in conducting spiritual civilization and should make efforts to solve several key problems in line with the guidelines and specific requirements of the resolution. We should define practical tasks for grasping spiritual civilization in the coming winter and spring so as to promote fruitful progress in our practical work. We should pay attention to studying the new situation and the new problems in spiritual civilization instead of paying lip service. In addition, we should pay attention to summing up typical experiences in studying the resolution and to spreading these experiences.

Chen Yunlin, deputy secretary of the provincial party committee, delivered a summing-up speech at the meeting.

JILIN SECRETARY DISCUSSES STUDY OF CPC RESOLUTION

SK251144 Changchun Jilin Provincial Service in Mandarin 1030 GMT 24 Oct 86

[Excerpt] On the morning of 23 October, the organs under the provincial People's Congress Standing Committee held a meeting to report the situation of studying the CPC Central Committee's resolution on guiding principles for building socialist spiritual civilization.

Gao Di, secretary of the provincial party committee, gave a guidance lecture at the meeting on studying the resolution.

More than 80 people, including chairman, vice chairman, and full-time members of the provincial People's Congress Standing Committee, office cadres at or above the section level, members of the party committee of the organs under the provincial People's Congress Standing Committee, and secretary and deputy secretaries of the party committee, listened to the lecture.

Comrade Gao Di emphatically talked about the three basic characteristics of the resolution. The three basic characteristics are as follows:

First, the resolution defines the basic guiding principles for building socialist spiritual civilization. That is, persist in the four basic principles and persistently carry out reform and the policy of opening the country to the outside world. We must persistently grasp this in order to build socialism with Chinese characteristics. If we only pay attention to reform and the policy of opening the country to the outside world to the neglect of four basic principles, we will take the road to ruin. If we only pay attention to the four basic principles to the neglect of reform and the opening of the country to the outside world, we will take the old paths.

Second, the resolution persists in and carries out Marxism. In accordance with basic marxist principles, the resolution systematically, comprehensively, and profoundly expounds the position, principles, tasks, functions and guiding ideology of socialist spiritual civilization. The resolution also has summed up the party's experiences and lessons gained over the past few years. In line with the current actual conditions of the country, the resolution has discovered some decisions that had been proven incorrect or unsuitable to the new situation, and has carried forward Marxism.

Third, the resolution stresses that all successes must rely on our own efforts. This calls for ideologically popularizing democratic principles. We must concentrate the construction of theories, morality, culture, democracy, and legality on setting up, developing, and building a new world.

In line with the province's actual conditions, Comrade Gao Di talked about arrangements for further studying the resolution and reported the province's economic situation to members of the provincial People's Congress Standing Committee who participated in the meeting. Comrade Gao Di called on them to be inspired with enthusiasm to rejuvenate Jilin.

Zhao Xiu, chairman of the provincial People's Congress Standing Committee, delivered a speech at the meeting. [passage omitted]

HONG KONGSECRETARY VIEWS VIETNAMESE REFUGEE SITUATION

HK290303 Hong Kong South CHINA MORNING POST in English 29 Oct 86 p 4

[By Frank Choi]

[Text] The immediate future of Vietnamese refugees in Hong Kong will remain bleak unless Britain increases its intake.

The British Government's role was extremely important as many resettlement countries were waiting its decision before deciding whether to increase their refugee intakes, Principal Assistant Secretary for Security Mr Ken Woodhouse said yesterday.

Mr Woodhouse was speaking after his return from the 37th session in Geneva of the executive committee of the program of the United Nations High Commissioner for Refugees.

He also visited London and Washington to meet members of resettlement and voluntary agencies.

At the Geneva meeting held between October 6 and 17, representatives felt there was a need for a "root-cause solution" to the refugee problem, he said.

"There is a growing body of opinion that the root-cause solution should be investigated," he said.

"There are increasing concerns that attempts should be made to find the reasons for their leaving their country and, ultimately, to prevent their leaving."

Mr Woodhouse said another possible solution which warranted investigation was an attempt by the international community to deal directly with Vietnam on mass repatriation.

He said the levels of resettlement were beyond Hong Kong's control.

"Therefore, it's fair to say the immediate future looks bleak," he said.

"During the Geneva meeting, I was asked from time to time by other countries on the British Government's upcoming decision, and they are all waiting for such a decision before they reach one of their own.

"I guess that the British Government will make up its mind and state its position next month. But again, it's strictly for the British Government to decide."

Mr Woodhouse said Britain last year relaxed its family reunion criterion and accepted refugees at the rate of about 40 a month, but this flow was interrupted in September. Britain's total intake from this flow was almost 500.

After the British relaxation, the number of refugees in Hong Kong dropped slightly, but more arrival this year had begun to erode this success, he said.

In a speech in Geneva, Mr Woodhouse called on the international community to explore all possible solutions.

And he criticised some resettlement countries for making arbitrary definitions of refugees' status.

"Resettlement is not enough," he said. "Hong Kong is happy to continue to grant asylum to those leaving Vietnam in small boats. But we are finding that those whom we willingly accept as refugees are later determined by some resettlement countries not to be refugees.

"This contradiction must be resolved since it will otherwise strain the generous concept of first asylum and harm the credibility of resettlement countries."

HONG KONG, MACAO MOURNING YE JIANYING'S DEATH

OW291735 Beijing XINHUA in English 1511 GMT 29 Oct 86

[Text] Hong Kong, October 29 (XINHUA) -- More than 4,700 Hong Kong residents and visitors today went to the Hong Kong Branch of the XINHUA NEWS AGENCY to express their condolences over the death of Marshal Ye Jianying.

The mourning hall was full of wreaths and flower baskets presented by delegates to the national or provincial, city people's congresses, members of the national or local committees of the Chinese People's Political Consultative Conference, members of the Basic Law Drafting Committee, members of the Basic Law Advisory Committee and industrial and business representatives and people from other walks of life as well as by Chinese residing abroad.

The offices of all Chinese organizations in Hong Kong flew flags at half-mast to pay tribute to Marshal Ye, a veteran Chinese Communist Party and state leader.

Among the mourners were P.A. Collier, representative of Hong Kong Governor Sir Edward Youde, Chief Secretary David Akers-Jones, political adviser J.D. Boyd, Director of Protocol Mark Heath, Fei Yiming, Sir Pao Yue-kong, Wong Kwan-chen, Henry Fok Ying-tung, Li Ka-shing and Dr. Ann Tse-kai.

Today also saw 1,300 Macao officials and residents, as well as visitors expressing their condolences over the death of Marshal Ye.

'MAJOR' GOVERNMENT RESHUFFLE UNDER WAY IN HONG KONG

HK300717 Hong Kong SOUTH CHINA MORNING POST in English 30 Oct 86 p 1

[By Michael Chugani]

[Text] A major reshuffle is under way in the upper ranks of the Government.

Changes which will give the administration a new look at the top have been made possible partly by the appointment of Mr David Ford as the next Chief Secretary and by the retirement soon of several senior officials.

It is now certain that the Secretary for Trade and Industry, Mr Eric Ho, an Executive Councillor and a British-side member of the Joint Liaison Group [JLG], will retire next year to become chairman of the Public Service Commission.

Mr Ho's departure from his top Government post means he will have to give up his controversial membership of the JLG, which could result in another nationality wrangle between the British and Chinese Governments, this time over his successor.

Mr Ho, a Hong Kong-born Chinese, was allowed into the JLG last year only after a stormy row between Beijing and London. Since China insists that all Hong Kong-born Chinese are nationals of China, the Beijing leadership refused to recognise Mr Ho as a British diplomat.

They also objected to Hong Kong being given a voice in the JLG, insisting that the diplomatic body set up to oversee the smooth transfer of power should comprise only British and Chinese officials.

Britain issued Mr Ho with a full United Kingdom passport, thus granting him British citizenship and eligibility to join the JLG.

There are now fears that last year's row could be repeated if the Hong Kong Government presses Britain to fill Mr Ho's JLG seat with another local official rather than a British diplomat.

There appear to be three main contenders for the Secretary for Trade and Industry post after Mr Ho steps aside;

Mr Hamish Macleod, the Director of Trade.

Mr K.Y. Yeung, the Director of Industry.

Mr Peter Tsao, the high-profile candidate who is Hong Kong's Minister for Commercial Relations in Brussels.

Mr Tsao is known to be not over-keen with his Brussels posting and has indicated he would be away for only a year. He would therefore be due to return in a few months.

As a senior official with secretary rank, he will figure largely in the reshuffle at the top.

But sources said it did not necessarily follow that the person who replaced Mr Ho as Secretary for Trade and Industry would also get the JLG job.

The new man, however, will most likely get a seat in the Executive Council -- the Governor's inner circle of advisers.

The most likely scenario, according to sources, is that Mr Tsao will go back to his former job of Secretary for Administrative Services and Information, occupied since he was sent to Brussels by Mr James So, who was drafted from the Transport Department.

Under this arrangement, the way would be cleared for Mr Tsao by the appointment of Mr So to replace the current Commissioner for Transport, Mr Peter Leeds, who is due to retire within a few months.

Now that Mr Ford is to take over from Sir David Akers-Jones as Chief Secretary, the fate of the two other contenders -- Attorney-General Mr Michael Thomas and Secretary for District Administration Mr Donald Liao -- has become more clear-cut.

Mr Liao is likely to remain in his current job until he retires in about two years. Mr Thomas has become a strong contender for the job of Chief Justice to replace Sir Denys Roberts, who is due to retire when he reached 65 in January 1988.

With Mr Ford's departure from the Civil Service Branch, three names have emerged as his successor.

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Mr Harnam Grewal, a one-time deputy chief of the Civil Service and now Secretary for Transport.

Mrs Anson Chan, the Controversial Director of Social Service who received much flak for her handling of the Kwok Ah-nui "lonely girl" case.

Mr John Chan, the high-flying Director for Information Services.

The biggest question mark hangs over the fate of Deputy Chief Secretary Mr Alan Scott, who was beaten to the top job by Mr Ford.

Sources said he was still considering whether to remain in the Government or continue to pin his hopes on the governorship of the Cayman Islands.

If he goes, the post of Deputy Chief Secretary may be abolished.

In other elements of the shuffle, Mr Selwyn Alleyne, the Deputy Financial Secretary, is due to become the first local to take up the posting of Hong Kong Commissioner in London early next year when Mr Colvyn Haye retires. The education Director, Mr Michael Leung, is being tipped to take over from Mr Alleyne.

Mr Bill Dorward, Hong Kong's Commissioner for Commercial Affairs in New York, is due to retire next year and his duties are likely to be given to the Commercial Counsellor in Washington, Mr Peter Lo.

Mr Barrie Wiggham has taken the post of Secretary for General Duties -- a high-powered job dealing with the 1997 transition -- from the retiring Mr Peter Williams.

EXTRADITION OF CRIMINALS AFTER 1997 DISCUSSED

HK270713 Hong Kong SOUTH CHINA MORNING POST in English 27 Oct 86 p 4

[By Andy Course]

[Text] Sensitive discussions are going on within the government on how the extradition of suspected fugitive criminals should be handled after 1997.

Sources said the governor, Sir Edward Youde, was taking a close interest in the issue.

It is part of the move to localise Hong Kong's laws -- at the moment all extraditions to and from Hong Kong are done under UK legislation.

Hong Kong needs to develop its own legislation which will be valid after 1997, to ensure a smooth transition in the area of transfer of fugitive criminals, one source said.

And it is understood that this is where a potential problem lies -- because China does not have any extradition treaties at the moment.

Extradition is an internationally sensitive topic and the technical procedure which involves interpretation of legislation and bi-lateral treaties is one of the most complex areas of law.

An inter-departmental committee, chaired by the Secretary for Security and including members from the Legal Department and Security Branch is now looking into what changes are necessary.

The committee will come up with ideas on how Hong Kong should handle the issue under Chinese sovereignty and the matter will then be discussed with the Chinese.

A member of the inter-departmental committee said they are only at the initial stages of discussing what problems there are and what should be done about it.

Working out the fine details with dozens of other countries could take a long time.

Most extraditions are provided for by treaty with the other country - but this is not essential, the member said.

He said it would be possible to have reciprocal legislation providing for the arrangement and this was one possibility being explored at the moment.

He said it was not clear if the current UK treaties with some 44 countries, which cover Hong Kong, would all need to be renegotiated.

Extraditions are notoriously difficult from a technical point of view, because of the strict procedure that must be correctly followed.

The UK government has been embarrassed several times recently by failing to supply Irish courts with the correct documents.

It is understood that one matter now being considered by the committee is whether Hong Kong should continue to require that a prima facie case should be established before the suspect be extradited.

Some members of the committee believe that this is too stringent a test.

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